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FROM: Paul M. Dudek, Chief
Office of International Corporate Finance
Division of Corporation Finance

RE: INTERNATIONAL BANK RECORD DATA

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AFDB

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African Development B

COMPANY

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FISCAL YEAR: _____

AFRICAN DEVELOPMENT BANK GROUP

AFDB



Ref: FTRY/LET/2003/06/002

Date: 12 SEP 2003

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Mr. Paul DUDEK
Chief, Office of International Finance
United States Securities
And Exchange Commission
File Desk / Room 1004
450 Fifth Street, N.W.
Washington, D.C. 20549
U.S.A

Dear Sir,

African Development Bank, File NO. 83-4,
Regulation AFDB, Sections 288.2(a) and 288.4

Dear Sir,

In accordance with Sections 288.2(a) and 288.4 of Regulation AFDB adopted pursuant to Section 9(a) of the African Development Bank Act, we transmit herewith the periodic Report of the Financial Statements of the African Development Bank for the quarter ended 30 June 2003.

Yours sincerely,


Arunima Oten

Treasurer

01 BP 1387 Abidjan 01 - Côte d'Ivoire - Tel: (225) 20 20 44 44 - Fax: (225) 20 21 77 53 - Internet: www.afdb.org

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON D.C 20549
PERIODIC REPORT

Pursuant to Section 288.2(a) and 288.4 of Regulation AFDB adopted pursuant to Section 9(a) of the African Development Bank Act.

QUARTER ENDED 30 JUNE 2003
AFRICAN DEVELOPMENT BANK (the "bank")
ABIDJAN, COTE D'IVOIRE

1. Information concerning purchase or sales by the Bank of its primary obligations during the quarter:

The bank borrowed the following amounts under its Global Debt Issuance Facility:

<u>DESCRIPTION</u>	<u>TRADE DATE</u>	<u>VALUE DATE</u>	<u>MATURITY DATE</u>	<u>CALL DATE</u>	<u>DEALER</u>
JPY 1 Billion PRDC Notes due 2023	11 Apr -03	24-Apr-03	24-Apr-23		BNP Paribas
JPY 1 Billion FELN due May 2033	15-Apr-03	7-May-03	7-May-33	7-May-04	NikkoCitigroup
JPY 1 Billion GDIF FELN due May 2033	30-Apr-03	23-May-03	23-Mar-33	23-Mar-05	NikkoCitigroup
JPY 600 Million PRDC Notes due 2028	6-May-03	22-May-03	22-May-28	22-May-04	Mizuho Inter. Plc
JPY 1 Billion FELN due Feb 2033	8-May-03	4-Jun-03	1-Feb-33	1-Feb-05	UFJ International Plc
JPY 500 Million PRDC Notes due 2023	13-May-03	9-Jun-03	10-Jul-23	10-Jul-04	Mizuho Inter. Plc
JPY 2.1 Billion PRDC Notes due 2033	14-May-03	3-Jun-03	3-Jun-33	3-Jun-04	NikkoCitigroup
CAD 1.5 Billion Uridashi due 2015	21-May-03	24-Jun-03	22-Jun-15		Daiwa SMBC Europe
JPY 700 Million FELN due June 2033	6-Jun-03	26-Jun-03	27-Jun-33	27-Jun-04	Mizuho Inter. Plc
JPY 1 Billion PRDC Notes due June 2033	5-Jun-03	23-Jun-03	23-Jun-33		Tokyo-Mitsubishi plc
JPY 1 Billion FELN due March 2033	6-Jun-03	1-Jul-03	25-Mar-33	25-Mar-06	UFJ International Plc
JPY 1.2 Billion FELN due July 2033	19-Jun-03	7-Jul-03	7-Jul-33	7-Jul-04	Mizuho Inter. Plc
JPY 1.2 Billion FELN due July 2033	19-Jun-03	7-Jul-03	7-Jul-33	7-Jul-04	Tokyo-Mitsubishi plc

JPY 1 Billion PRDC due July 2033	20-Jun-03	14-Jul-03	15-Jul-33	15-Jul-04	Mizuho Inter. Plc
JPY 500 Million PRDC due March 2033	20-Jun-03	14-Jul-03	14-Mar-33	14-Mar-05	Daiwa SMBC Europe
JPY 1 Billion PRDC due July 2033	20-Jun-03	29-Jul-03	29-Jul-33	29-Jul-04	Citigroup Global Market
JPY 500 Million PRDC Notes due July 2033	25-Jun-03	17-Jul-03	15-Jul-33	15-Jul-04	Daiwa SMBC Europe
JPY 800 Million PRDC Notes due July 2033	26-Jun-03	18-Jul-03	18-Jul-33	18-Jul-04	Citigroup Global Market

The Bank redeemed in full the following amount:

Description	Trade Date	Issue Date	Maturity Date	<u>CALL DATE</u>	Dealer
JPY 1.1 Billion Callable PRDC	08-Mar-01	02-Apr-01	02-Apr-23	2-Apr-03	Citigroup Global Market
JPY 3 billion Callable PRDC	07-Mar-01	02-Apr-01	02-Apr-21	2-Apr-03	Citigroup Global Market
JPY 500 million Bermuda Callable PRDC	12-Apr-02	23-Apr-02	23-Apr-32	23-Apr-03	Sanwa/ UFJ Internl.
JPY 500 million Multi-Callable PRDC	05-Apr-01	26-Apr-01	27-Apr-21	27-Apr-03	JP Morgan
JPY 500 million PRDC Bermuda Callable	30-Apr-02	21-May-02	21-May-32	21-May-03	Citigroup Global Market
JPY 1.1 Billion Callable	14-May-02	28-May-02	28-May-32	28-May-03	Citigroup Global Market
JPY 1 billion PRDC Bermuda Callable	9-May-01	4-Jun-01	4-Jun-21	4-Jun-03	Daiwa SBCM Europe
JPY 1 billion Bermuda HRDC NC 1 Yr	6-Jun-01	21-Jun-01	21-Jun-21	21-Jun-03	Daiwa SMBC Europe

The Bank also redeemed partially the AUD 450 million issued in February 2003 by executing a Buy back of AUD 100 million in July 2003

Description	Trade Date	Issue Date	Dealer
AUD 100 Million	18-Jun-03	02-Jul-03	Morgan Stanley

01 BP 1387 Abidjan 01 – Côte d'Ivoire – Tel: (225) 20 20 44 44 – Fax: (225) 20 21 77 53 – Internet: www.afdb.org

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2. Two copies of any material modifications or amendments during such quarter of any exhibit previously filed with the Commission under any statute:

No material modifications or amendments of any exhibit previously filed with the Commission were made during the quarter.

3. Quarterly Financial Statements for the period ended June 2003.

Pursuant to the requirement of section 288.4(a) of Regulation AFDB, this Report has been signed on behalf of the African Development Bank by the undersigned thereunto duly authorized.

Yours Sincerely,


Arunma Oteh
Treasurer

AFRICAN DEVELOPMENT BANK

AFRICAN DEVELOPMENT BANK

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FINANCIAL STATEMENTS
JUNE 30, 2003 AND 2002

ADB Financial Statements for the Six Months Ended
June 30, 2003 and 2002

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AFRICAN DEVELOPMENT BANK

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BALANCE SHEET AS AT JUNE 30, 2003 AND 2002

(UA thousands - Note B)

ASSETS	2003	2002	LIABILITIES & EQUITY	2003	2002
DUE FROM BANKS	117,750	15,583	ACCOUNTS PAYABLE		
DEMAND OBLIGATIONS	3,800	22,874	Accrued financial charges	62,483	74,302
			Other accounts payable	145,283	124,351
				207,766	198,653
AMOUNTS RECEIVABLE FROM CURRENCY SWAPS			AMOUNTS PAYABLE FOR CURRENCY SWAPS		
Currency swaps receivable - Borrowings (Notes B & O)	182,660	235,030	Currency swaps payable - Borrowings (Notes B & O)	149,777	23,018
Currency swaps receivable - Investments (Notes B & I)	44,658	120,559	Currency swaps payable - Investments (Notes B & I)	57,853	139,320
	227,318	355,589		207,630	162,338
INVESTMENTS (Notes B & I)			BORROWINGS (Notes O)	5,468,183	4,916,069
Trading	1,532,760	1,171,138			
Held-to-maturity	1,622,730	788,320	EQUITY		
	3,155,490	1,959,458	Capital (Notes G, W & X)		
NON NEGOTIABLE INSTRUMENTS			(in shares of UA 10 000 each)		
ON ACCOUNT OF CAPITAL (Note H)	50,030	60,260	Authorised	21,870,000	21,870,000
ACCOUNTS RECEIVABLE			Less: Unsubscribed	(379,380)	(383,227)
Accrued income on loans and			Subscribed Capital	21,490,620	21,486,773
investments	180,837	223,557	Less: Callable Capital	(19,339,915)	(19,384,476)
Other accounts receivable	48,890	62,883	Paid-up Capital	2,150,705	2,102,297
	229,727	286,440	Add: Amounts paid in advance	257	276
LOANS (Notes B, J, & V)				2,150,962	2,102,573
Disbursed and outstanding	5,908,546	6,226,498	Less: Amounts in arrears	(9,726)	(10,940)
Less Accumulated provision for loan losses	(494,701)	(499,095)		2,141,236	2,091,633
	5,413,845	5,727,403	Cumulative Exchange Adjustment		
EQUITY PARTICIPATION (Note K)			on Subscriptions (Note G)	(143,155)	(130,255)
ADF	111,741	111,741		1,998,081	1,961,378
Other institutions	68,596	68,366	Reserves (Note F)		
	180,337	180,107	Special Reserve	-	-
Less: Accumulated provision for equity losses	(16,463)	(20,320)	General Reserve	1,862,520	1,693,414
	163,874	159,787	Net income for the preceding year	-	-
OTHER ASSETS			Net income for the year after		
Fixed assets (Note L)	17,111	17,170	appropriation to Special Reserve (Note F)	89,390	128,272
Miscellaneous	350	365	Cumulative Currency Translation		
	17,461	17,535	Adjustment (Note B)	(454,275)	(455,197)
TOTAL ASSETS	9,379,295	8,604,927	Total Reserves	1,497,635	1,366,489
			Total Equity	3,495,716	3,327,867
			TOTAL LIABILITIES & EQUITY	9,379,295	8,604,927

The accompanying notes to the financial statements form part of this statement.

AFRICAN DEVELOPMENT BANK**STATEMENT OF INCOME AND EXPENSES****FOR THE SIX MONTHS ENDED JUNE 30, 2003 AND 2002**

(UA thousands - Note B)

	2003	2002
OPERATIONAL INCOME & EXPENSES		
Income from loans		
Interest	134,336	222,411
Commitment charges	3,619	6,066
Statutory commission	1,242	4,775
Income from investments (Note I)	46,609	35,348
Total income from loans and investments	185,806	268,600
Borrowing expenses (Note O)		
Interest	(107,491)	(142,217)
Amortization of issuance costs	(1,627)	(2,279)
Provision for loan losses (Note J)	(3,318)	(4,512)
Net operational income	73,370	119,592
OTHER EXPENSES, net		
Administrative expenses (Note M)	74,428	49,708
Management fees (Note N)	(53,497)	(36,332)
	20,931	13,376
Other income	(736)	(610)
Depreciation	2,561	2,675
Provision for equity investments and guarantees	-	2,505
Loss on exchange	(95)	665
Total other expenses (net)	22,661	18,611
Operating income	50,709	100,981
Unrealized net gains on non-trading derivatives - IAS 39 adjustment (Note B & O)	38,681	27,291
Net income	89,390	128,272

The accompanying notes to the financial statements form part of this Statement.

**STATEMENT OF COMPREHENSIVE INCOME AND CHANGES
IN RESERVES FOR THE SIX MONTHS ENDED JUNE 30, 2003 AND 2002**

(UA thousands - Note B)

	2003	2002
Net Income	89,390	128,272
Other comprehensive income /(losses):		
Currency translation adjustment	559	(6,067)
Total other comprehensive income	559	(6,067)
Comprehensive income	89,949	122,205
Reserves at 1 January:		
General	1,919,473	1,415,957
Specific	-	299,456
Cumulative Currency Translation Adjustment (CCTA)	(454,835)	(449,131)
Total reserves at 1 January	1,464,638	1,266,282
Board of Governors-approved allocations/transfers:		
Post Conflict Assistance - Democratic Republic of Congo	(12,952)	-
African Development Fund	(25,000)	(10,000)
Highly Indebted Poor Countries	(9,000)	(6,000)
Special Relief Fund	(10,000)	(5,000)
Technical Assistance Fund for ADB-only countries	-	(1,000)
Total net income allocation /transfers	(56,952)	(22,000)
Reserves at the end of the period	1,497,635	1,366,487
Reserves at the end of the year composed of:		
General	1,951,910	1,821,684
Cumulative Currency Translation Adjustment (CCTA)	(454,275)	(455,197)
Total reserves at the end of the period	1,497,635	1,366,487

The accompanying notes to the financial statements form part of this Statement.

* Includes an exceptional additional allocation of UA 15 million in 2003 relating to the temporary relocation of the Bank group to Tunis

STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED JUNE 30, 2003 AND 2002

(UA thousands - Note B)

	2003	2002
Cash flows from:		
Lending and development activities:		
Disbursements on loans	(362 277)	(215 439)
Repayments of loans	424 341	473 929
Held to Maturity Investments with maturity beyond three months	(450 911)	(788 320)
Equity participations - movement	(3 106)	(2 048)
Net cash provided by lending and development activities	(391 952)	(531 878)
Operating activities:		
Net income	89 390	128 272
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	2 561	2 675
Provision for loan losses	3 318	4 512
Changes in other assets	(767)	847
Changes in accrued income on loans and investments	32 894	77 819
Changes in accrued financial charges	(26 915)	(40 732)
Derivative assets movement	(38 681)	(92 157)
Amortization of borrowing costs	1 627	2 279
Changes in other receivables and payables	(2 731)	(138 436)
Net cash provided by operating activities	60 695	(54 921)
Financing activities:		
New issues	1 411 718	492 908
Repayments on borrowings	(300 570)	(866 059)
Net cash from currency swaps	(1 991)	(36 021)
Net cash from capital subscriptions	23 623	16 351
Net cash provided by financing activities	1 132 780	(392 821)
Effect of exchange rate changes on cash and investments	(39 961)	(4 800)
Net movement in cash and investments	761 562	(984 420)
Cash and investments at beginning of the year.	882 296	2 152 376
Cash and investments at the end of the period.	1 643 858	1 167 959
Composed of:		
Investments - trading portfolio	1 532 760	1 171 136
Swaps on investments - net	(13 195)	-
Investments - Held to maturity - maturing within three months	6 543	(18 760)
Cash	117 750	15 583
	1 643 858	1 167 959
Supplementary disclosure:		
Increase/(decrease) resulting from exchange rate fluctuations:		
Loans	(9 438)	11 997
Borrowings	(101 850)	17 578
Currency swaps	109 423	(2 653)

The accompanying notes to the financial statements form part of this statement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED
JUNE 30, 2003 AND 2002

Note A - Operations

The African Development Bank (the Bank) is a multilateral development institution dedicated to the economic and social progress of its regional member states. The Bank finances development related projects and programs in regional member states, typically in cooperation with other national or international development institutions. In furtherance of this objective, the Bank participates in the selection, study and preparation of projects contributing to such development and, where necessary, provides technical assistance. The Bank also promotes investments of public and private capital in projects and programs designed to contribute to the economic and social progress of the regional member states.

Note B - Summary of Significant Accounting Policies

The Bank's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) promulgated by the International Accounting Standards Board.

The significant accounting policies employed by the Bank are summarized below.

Accounting for Derivatives

The Bank adopted the International Accounting Standard number 39 (IAS 39), "Financial Instruments Recognition and Measurement", on January 1, 2001. IAS 39 requires that all derivatives be measured at fair value and reported on the balance sheet. The Bank uses derivative instruments in its portfolios for asset/liability management, cost reduction, risk management and hedging purposes. Although IAS 39 allows special hedge accounting for certain qualifying hedging relationships, the application of such special hedge accounting criteria does not make evident the asset/liability and risk management strategy of the Bank and would result in certain hedged instruments being carried at fair value, while other similar hedged instruments are carried at amortized cost. Consequently, the Bank has elected not to define any qualifying hedging relationships, but rather marks all derivatives to fair value, with all changes in fair value recognized in income. The effects of the adoption of IAS 39 relates primarily to the derivatives in the borrowings portfolio. No adjustment is required to the investments portfolio held for trading, since those derivatives were already recorded at fair value.

Upon adoption of IAS 39, a transition adjustment was made directly to retained earnings. This transition adjustment represents, inter alia, the difference between the carrying value and the fair value of the embedded derivatives and derivative instruments as defined in IAS 39 in the borrowing portfolio and loan portfolio as at January 1, 2001, offset by any gain or losses on those borrowings for which fair value exposure was being hedged.

Monetary Basis of Financial Statements

The financial statements are expressed in Units of Account (UA). The value of the Unit of Account is defined in Article 5.1 (b) of the Agreement Establishing the Bank (the Agreement) as equivalent to one Special Drawing Right (SDR) of the International Monetary Fund (IMF) or any unit adopted for the same purpose by the IMF.

Translation of Currencies

The Bank conducts its operations in numerous currencies. Income and expenses are converted to UA at the rates prevailing on the date of the transaction. Assets and liabilities other than non-monetary items denominated in UA are translated into Units of Account at rates prevailing at the balance sheet dates. The translation difference relating to payments of capital subscriptions denominated at a fixed UA/USD exchange rate (see Note G) and received during the year is reported under Cumulative Exchange Adjustment on Subscriptions at the balance sheet date. All other translation differences are debited or credited directly to retained earnings under Cumulative Currency-Translation Adjustment and also reported as part of "Other Comprehensive Income".

When currencies are converted into other currencies, the resulting gains or losses are included in the determination of net income.

Loans

Except for private sector development loans, all of the Bank's loans are made to, or guaranteed by member countries. Amounts disbursed on loans are repayable in the currency or currencies disbursed by the Bank or in other freely convertible currency or currencies approved by the Bank. The amount repayable in each of these currencies shall be equal to the amount disbursed in the original currency. Loans are granted for a maximum period of twenty years, including a grace period, which is typically the period of project implementation.

The Bank places in non-accrual status all loans to, or guaranteed by a member country, if principal, interest or other charges with respect to any such loan are overdue by six months or more, unless the Bank's management determines that the overdue amount will be collected in the immediate future. Further, management may place a loan in non-accrual status even if it is not yet overdue by six months, if the specific facts and circumstances including consideration of events occurring subsequent to the balance sheet date warrant such action. In addition, if loans made by African Development Fund (ADF) or the Nigeria Trust Fund (NTF) to a member country are placed in non-accrual status, all loans made to or guaranteed by that member country are also placed in non-accrual status by the Bank. When a loan is placed in non-accrual status, all related unpaid interest and other charges are reversed against current income. Interest and other charges on loans in non-accrual status are included in income only when actually received by the Bank. In general, loans are returned to accrual status immediately after the related arrears have been cleared. However, certain loans that have become current may continue to be carried in non-accrual status until after a period of satisfactory performance.

The Bank may experience delays in receiving loan repayments from certain borrowers. To accommodate the possible present value losses associated with such delays, the Bank maintains a general provision for possible loan losses based on an assessment of the collectibility risk of the disbursed and outstanding public sector loan portfolio. For the private sector portfolio, the Bank assesses collectibility risk on a loan-by-loan basis and provides for loan losses accordingly.

It is the Bank's practice not to reschedule interest or principal payments on its loans or participate in debt rescheduling agreements with respect to its loans.

In connection with an internationally-coordinated effort between the Bank, the International Monetary Fund (the IMF), the World Bank and other bilateral and multilateral donors to assist the Democratic Republic of Congo (DRC) in its reconstruction efforts, the Board of Directors on June 26, 2002 approved an arrears clearance plan for the DRC. Under the arrears clearance plan, contributions received from the donor community were used immediately for partial clearance of the arrears owed by the DRC. The residual amount of DRC's arrears to the Bank and loan amounts not yet due have been consolidated into new contractual receivables, such that the present value of the new loans equals the present value of the amounts that were owed under the previous contractual terms. The new loans carry the weighted average interest rate of the old loans. In approving the arrears clearance plan, the Board of Directors considered the following factors : a) the arrears clearance plan is part of an internationally coordinated arrangement for the DRC; b) the magnitude of DRC's arrears to the Bank ruled out conventional solutions; c) the prolonged armed conflict in the DRC has created extensive destruction of physical assets, such that the DRC had almost no capacity for servicing its debt; and d) the proposed package would result in a significant improvement in its repayment capacity, if appropriate supporting measures are taken. Furthermore, there is no automatic linkage between the arrears clearance mechanism and the debt relief that may be subsequently provided on the consolidated facility. The Bank does not believe that any other borrowers with loans in non-accrual status currently meet these eligibility criteria.

Fixed Assets

Land is stated at cost, including charges for reclamation. No depreciation is provided.

Buildings are shown at cost less accumulated depreciation. Depreciation is calculated at a rate which is expected to amortize the cost in equal annual installments over the useful life, which is estimated at between 15 to 20 years. Financial charges incurred in connection with funds borrowed for the construction of buildings are capitalized during the construction period. Major improvements are depreciated over the remaining period of the estimated useful life of the building concerned. Leasehold improvements are amortized over the lesser of the remaining lease term or the estimated useful life of the improvement.

Fixtures and fittings, furniture and equipment and motor vehicles are stated at cost less accumulated depreciation. Such assets are depreciated on a straight line basis with no salvage values. Fixtures and fittings are depreciated over periods ranging from 6 to 10 years. Furniture and equipment are depreciated over periods ranging between 3 to 7 years. Motor vehicles are depreciated over 5 years.

Borrowings

In the ordinary course of its business, the Bank borrows worldwide in the capital markets. The proceeds of such borrowings are used for lending and liquidity purposes. The Bank issues debt instruments denominated in various currencies, with differing maturities at fixed or variable interest rates. Certain of the Bank's borrowings contain embedded derivatives that are required under IAS 39 to be separated from the host contract and carried on the balance sheet at fair value. Due to the complex nature of these instruments, the separation of the embedded derivatives from the borrowing contract may result in subjective terms being assigned to the borrowing contract and may not reliably reflect the underlying economic substance of the Bank's borrowing activities. In compliance with IAS 39 and to provide more meaningful disclosure of the Bank's borrowing activities, where it has not been possible to reliably measure such embedded derivatives, the combined contracts associated with these borrowings have been carried at fair value on the balance sheet. Other borrowings are carried on the balance sheet at par value (face value) adjusted for unamortized premiums or discounts. The unamortized balance of the issuance costs are netted off against borrowings in the balance sheet. Borrowing expenses include the amortization of issuance costs, discounts and premiums, which is determined on an effective yield basis.

The Bank uses derivatives in its borrowing and liability management activities to take advantage of cost savings opportunities and to lower its funding costs. These instruments include currency swaps and interest rate swaps. The derivatives are used to modify the interest rate or currency characteristics of the borrowing portfolio and are linked to the related borrowings at inception and remain so throughout the terms of the contracts. The interest component of these derivatives is disclosed as borrowing cost over the life of the derivative contract and included in the income statement. Prior to IAS 39, all borrowings-related derivatives were recorded on a historical cost basis. However, upon adoption of IAS 39 these derivatives are carried at market value on the balance sheet. The Bank uses trade date for recording its borrowing transactions.

Investments

Investments securities are classified based on management's intention on the date of purchase. Securities which management has the intention and ability to hold until maturity are classified as Held-to-maturity and reported at amortized cost. All other investment securities are held in a Trading portfolio and due to their nature and the Bank's policies governing the level and use of such investments they are classified as an element of liquidity in the Statement of Cash Flows. Held to maturity investments maturing within three months from the balance sheet date are also included in liquidity in the statement of cash flow. Investments in the Trading Portfolio, recorded on trade date basis, are carried and reported at market values and related unrealized gains and losses are included in income. The Bank uses derivative instruments, such as over-the-counter foreign exchange forwards, currency swaps, cross currency interest rate swaps and interest rate swaps, in the management of its trading portfolio. These derivatives are carried at market value and related gains and losses are included in trading income.

Securities purchased under resale agreements and securities sold under repurchase agreements are reported at market rates. The Bank receives securities purchased under resale agreements, monitors the fair value of the securities and if necessary may require additional collateral.

Fair Value Disclosure

Unless otherwise specified, financial instruments for which market quotations are available have been valued at the prevailing market value. Financial instruments for which market quotations are not readily available have been valued using methodologies and assumptions that necessarily require the use of subjective judgments. Accordingly, the actual value at which such financial instruments could be exchanged in a current transaction or whether they are actually exchangeable is not readily determinable. Management believes that these methodologies and assumptions are reasonable, however, the values actually realized in a sale might be different from the fair values disclosed.

The methods and assumptions used by the Bank in estimating the fair values of financial instruments are as follows:

Cash: The carrying amount reported in the Balance Sheet for cash approximates fair value.

Investments: Fair values for investment securities are based on quoted market prices, where available. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments.

Swaps: Fair values for the Bank's interest rate and currency swaps are based on quoted market prices or pricing models and represent the amounts that the Bank would receive or pay to terminate the agreements based upon market quotes.

Borrowings: The fair values of the Bank's borrowings are based on quoted market prices, where available or at par where market prices are not available.

Loans: ADB does not currently sell its loans, nor does it believe there is a comparable market for its loans. The estimated fair value of multiple currency fixed rate loans is based on the discounted cash flows using the rate at which the Bank could undertake borrowings of comparative maturities. The estimated fair value of variable and floating rate loans as well as single currency fixed rate loans is considered to approximate carrying value.

Post Retirement benefits

Actuarial gains or losses that arise on post retirement benefits are recognised in the income statement in accordance with IAS19. At the beginning of the reporting period, the unrecognised net actuarial gains or losses are compared with the greater of 10 percent of the present value of the defined benefit obligation and 10 percent of the plan assets. Any excess is recognised in the income statement as an actuarial gain or loss over the expected average remaining working lives of the employees participating in the plan.

Comprehensive Income

Comprehensive income consists of net income and other gains and losses affecting equity that, under International Accounting Standards, are excluded from net income. For the Bank, comprehensive income comprises the effects of implementing IAS 39 in 2001, currency translation adjustments and net income. These items are presented in the Statement of Comprehensive Income and Changes in Reserve.

Accounting Estimates

The preparation of financial statements in conformity with International Accounting Standards requires management to make certain estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent liabilities. Actual results could differ from such estimates. Significant judgment has been used in the estimation of fair values of loans and borrowings, and in the determination of the accumulated provision for loan losses.

Reclassifications

Certain reclassifications of prior year's amounts have been made to conform to the presentation in the current period. These reclassifications did not have an income statement impact.

Note C – Exchange rates

The rates used for translating currencies into Units of Account at June 30, 2003, and 2002 are as follows:

	2003	2002
1 UA = SDR =		
Algerian Dinar	109.409000	101.586000
Angolan Kwanza	106.068000	52.941000
Botswana Pula	6.888900	8.253480
Brazilian Real	4.035040	3.803130
Canadian Dollar	1.898590	2.020580
Chinese Yuan	11.595500	11.012400
CFA Franc	804.151000	874.915000
Danish kroner	9.108550	9.909040
Egyptian Pound	8.481360	5.807987
Ethiopian Birr	11.797700	10.632000
Euro	1.225920	1.333800
Gambian Dalasi	35.720000	19.058400
Ghanaian Cedi	12,331.200000	9,892.010000
Guinean Franc	2,468.150000	2,498.790000
Indian Rupee	65.169900	65.019900
Japanese Yen	167.893000	158.924000
Kenyan Shilling	103.818000	97.331100
Korean Won	1,671.360000	1,602.940000
Kuwaiti Dinar	0.420636	0.398745
Libyan Dinar	1.932670	1.644740
Mauritian Rupee	38.445900	38.995600
Moroccan Dirham	13.144100	14.319900
Nigerian Naira	175.895000	143.920000
Norwegian Krone	10.167100	9.910800
Pound Sterling	0.848954	0.865621
Sao Tomé Dobra	12,877.700000	11,425.400000
Saudi Arabian Riyal	5.253230	4.989250
South African Rand	10.583500	13.639300
Swedish Krona	11.210400	12.190400
Swiss Franc	1.902500	1.975170
Ugandan Shilling	2,823.870000	2,320.660000
US Dollar	1.400860	1.330460
Zimbabwean Dollar	1,143.730000	68.624700

No representation is made that any currency held by the Bank can be or could have been converted into any other currency at the cross rates resulting from the rates indicated above.

Note D - Special Funds

Under Article 8 of the Agreement Establishing the Bank, the Bank may establish or be entrusted with the administration of special funds. At June 30, 2003 and 2002, the following funds were held separately from those of the ordinary capital resources:

1. **The Nigeria Trust Fund** was established under an agreement signed on February 26, 1976, between the African Development Bank and the Federal Republic of Nigeria. The initial capital of this Fund was Naira 50 million payable in two equal installments of Naira 25 million each, in freely convertible currencies. The first installment, equivalent to US\$ 39.90 million, was received by the Bank on July 14, 1976, and payment of the second installment, equivalent to US\$ 39.61 million, was made on February 1, 1977.

During May 1981, the Federal Republic of Nigeria announced the replenishment of the Fund with Naira 50 million. The first installment of Naira 35 million (US\$ 52.29 million) was paid on October 7, 1981. The second installment of Naira 8 million (US\$ 10.87 million) was received on May 4, 1984. The payment of the third installment of Naira 7 million (US\$ 7.38 million) was made on September 13, 1985.

The summary of the resources and assets of the Nigeria Trust Fund as at June 30, 2003 and 2002 is as follows:

(UA thousands)

	2003	2002
Contribution received	128 586	128 586
Funds generated (net)	347 993	342 272
Adjustment for translation of currencies	(86 995)	(66 384)
	<u>389 584</u>	<u>404 474</u>
Represented by:		
Due from banks	1 586	595
Investments	332 952	341 215
Interest & charges receivable on loans	1 056	900
Accrued interest on loans and investments	803	848
Other amounts receivable	58	496
Loans outstanding	<u>53 825</u>	<u>61 700</u>
	390 280	405 754
Less Current liabilities	<u>(696)</u>	<u>(1 280)</u>
	<u>389 584</u>	<u>404 474</u>

2. **The Special Relief Fund (for African countries affected by drought)** was established by Board of Governors' Resolution 20-74 to assist African countries affected by unpredictable disasters. The purpose of this fund was subsequently expanded in 1991 to include the provision of assistance, on a grant basis, to research institutions whose research objectives in specified fields are likely to facilitate the Bank's objective of meeting the needs of regional member countries in those fields.

The resources of the Fund consist of contributions by the Bank, the African Development Fund and various member states.

The summary statement of the resources and assets of the Special Relief Fund (for African countries affected by drought) as at June 30, 2003 and 2002, is as follows:

(UA thousands)

	2003	2002
Fund balance	42 602	32 602
Funds generated	3 267	3 610
Funds allocated to SDA	1	1
Amount payable	-	-
Less Relief disbursed:	(28 328)	(27 950)
	<u>17 542</u>	<u>8 263</u>
Represented by:		
Due from Bank	7 511	3 236
Investments	24	21
Accrued interest on investments	7	6
Amount receivable from ADB	<u>10 000</u>	<u>5 000</u>
	<u>17 542</u>	<u>8 263</u>

At June 30, 2003, a total of UA 7.67 million (2002 : UA 2.44 million) had been committed but not yet disbursed under the Special Relief Fund.

3. **The Staff Retirement Plan (the Plan)**, a defined benefit plan established under Board of Governors' Resolution 05-89 of May 30, 1989, became effective on December 31, 1989, following the termination of the Staff Provident Fund. Every person employed by the Bank on a full time basis, as defined in the Bank's employment policies, is eligible to participate in the Plan, upon completion of six months service without interruption of more than thirty days.

The Plan is administered as a separate fund by a committee of trustees appointed by the Bank on behalf of its employees. The Plan is funded through employee and Bank contributions of 7 percent and 14 percent respectively, of pensionable remuneration. The pensionable remuneration is the basic salary grossed up by a tax factor. The tax factor is an average rate intended to compensate for any taxes that might be imposed on the participant's pension income. All contributions to the Plan are irrevocable and are held by the Bank separately in a retirement fund to be used in accordance with the provisions of the Plan. Neither the contributions nor any income thereon shall be used for or diverted to purposes other than the exclusive benefit of active and retired participants or their beneficiaries or estates, or to the satisfaction of the Plan's liabilities. At 30 June 2003, the bulk of the investments of the Plan were under external management and these were invested in indexed funds, with the objective of matching the returns of the MSCI World Index as well as hedging the currency exposure of the Plan's anticipated future liabilities.

In accordance with IAS 19, and based on actuarial valuations, the pension expense for 2003 and 2002 for the Bank, the African Development Fund and the Nigeria Trust Fund combined (the Bank Group) comprised the following:

(UA thousands)

	2003	2002
Gross current service cost	13.95	12.75
Interest cost	7.56	6.58
Expected return on plan assets	(6.22)	(6.03)
Net actuarial (gain)/loss recognised in the year	<u>3.15</u>	<u>1.27</u>
Gross pension cost	18.44	14.57
Less estimated employee contributions	<u>3.80</u>	<u>3.72</u>
Pension expense for the year	<u>14.64</u>	<u>10.85</u>

The pension expense recorded for the first six months of 2003 for the Bank Group amounted to UA 7.61 million (2002 : UA 5.74 million)

There were no unrecognised past service costs at June 30, 2003. Assumptions used in the latest available actuarial valuations (December) 2002 and 2001 were as follows:

In percent	2003	2002
Discount rate	5.25	5.32
Expected return on plan assets	6.00	6.00
Rate of salary increase	4.00	4.00
Future pension increase	2.50	2.50

Note E - Trust Funds

The Bank has been entrusted, under Resolutions 11-70, 19-74 and 10-85 of the Board of Governors, with the administration of the Mamoun Beheiry Fund, the Arab Oil Fund, and the Special Emergency Assistance Fund for Drought and Famine in Africa. These funds, held separately from those of the ordinary resources of the Bank, are maintained and accounted for in specific currencies which are translated into Units of Account at exchange rates prevailing at the end of the year.

1. **The Mamoun Beheiry Fund** was established under Board of Governors' Resolution 11-70 of October 31, 1970, whereby Mr. Mamoun Beheiry, former President of the Bank, agreed to set up a fund which could be used by the Bank to reward staff members who had demonstrated outstanding performance in fostering the objectives of the Bank.
2. **The Arab Oil Fund** (contribution of Algeria) was established following Board of Governors' Resolution 19-74 of July 4, 1974. Under a protocol agreement dated November 15, 1974, the Bank received the sum of US\$ 20 million from the Government of Algeria to be kept as a Trust Fund from which loans could be granted to member countries affected by high oil prices. On August 11, 1975, an amount of US\$ 5.55 million was refunded to Algeria upon request, leaving a balance of US\$ 14.45 million, from which loans refundable directly to Algeria have been made. At June 30, 2003, a total of US\$ 13.45 million (2002: US\$ 13.34 million) had been so repaid.
3. **The Special Emergency Assistance Fund for Drought and Famine in Africa (SEAF)** was established by the 20th Meeting of Heads of State and Government of member countries of the African Union formerly Organization of African Unity (OAU) held in Addis Ababa, Ethiopia, from November 12 to 15, 1984, under Resolution AHG/Res. 133 (XX), with the objective of giving assistance to African member countries affected by drought and famine.

The financial highlights of these Trust Funds at June 30, 2003 and 2002 are summarized below:

(UA thousands)		2003	2002
A)	Mamoun Beheiry Fund		
	Contribution	152	152
	Income from Investments	<u>166</u>	<u>153</u>
		318	305
	Less: Prize Awarded	(13)	(13)
	Gift	<u>(25)</u>	<u>(25)</u>
		<u>280</u>	<u>267</u>
	<i>Represented by:</i>		
	Short-term deposits	265	252
	Due from banks	13	13
	Accrued Interest	<u>2</u>	<u>2</u>
		<u>280</u>	<u>267</u>
B)	Arab Oil Fund (contribution of Algeria)		
	Net Contribution	<u>714</u>	<u>831</u>
	<i>Represented by:</i>		
	Loans Disbursed net of repayments	<u>714</u>	<u>831</u>
C)	Special Emergency Assistance Fund for Drought and Famine in Africa		
	Contributions	22 474	23 663
	Funds Generated	<u>5 284</u>	<u>5 495</u>
		27 758	29 158
	Relief Granted	<u>(23 093)</u>	<u>(23 915)</u>
		<u>4 665</u>	<u>5 243</u>
	<i>Represented by:</i>		
	Due from banks	372	597
	Investments	4 283	4 645
	Accrued Interest	<u>10</u>	<u>1</u>
		<u>4 665</u>	<u>5 243</u>
	Total Resources & Assets of Trust Funds	<u><u>5 659</u></u>	<u><u>6 341</u></u>

Note F - Reserves, Net Income Allocations and Transfers

The Special Reserve consists of statutory commissions received on loans, set aside pursuant to Article 20 of the Agreement establishing the Bank and are to be held in liquid form and to be used for the purposes of meeting liabilities of the Bank on borrowings and guarantees.

In June 1987, the Board of Governors resolved to phase out the statutory commissions over a period of three years commencing January 1, 1987. The statutory commission rates were 1 percent per annum on all loans granted on or prior to December 31, 1986; 0.50 percent per annum for loans granted in 1987; 0.25 percent per annum for loans granted in 1988; and none for loans granted after 1988.

In 2001, the Board of Governors, by virtue of its Resolution B/BG/2001/08 amending the Agreement establishing the Bank, approved the deletion of Article 20, which established the Special Reserve and authorized the setting aside, to the Special Reserve, of the statutory commission received on loans. Furthermore, by virtue of its Resolution B/BG/2001/10, the Board of Governors approved the closure of the Special Reserve account and the transfer of the funds therein to the General Reserve. Following the acceptance of the amendments to the Bank's Agreement by the requisite number and majority of member states and the entry into force of the deletion of Article 20 of the Agreement on July 5, 2002, the balance on the Special Reserve account has been transferred to the General Reserve account.

The General Reserve represents retained earnings, including the balance transferred from the Special Reserve following the deletion of Article 20 of the Agreement establishing the Bank. In addition, the General Reserve includes a transition adjustment of UA 10.80 million relating to the adoption of IAS 39 on January 1, 2001. On June 3, 2003, the Board of Governors of the Bank approved certain allocations of the Bank's net income for 2002. Such allocations are summarized in the Statement of Comprehensive Income and Changes in Reserves.

Note G - Capital Stock

The Fifth General Capital Increase (GCI-V) was approved by the Board of Governors of the Bank on May 29, 1998 and became effective on September 30, 1999 upon ratification by member states and entry into force of the related amendments to the Agreements establishing the Bank. The GCI-V increased the authorized capital of the Bank by 35 percent from 1.62 million shares to 2.187 million shares with a par value of UA 10,000 per share. The new shares, a total of 567,000 shares, are divided into paid up and callable shares in proportion of six percent (6 %) paid up and ninety four percent (94%) callable. The new shares were allocated to the regional and non-regional members such that, when fully subscribed, the regional members shall hold 60 percent of the total stock of the Bank and non-regional members shall hold the balance of 40 percent.

Prior to the GCI-V, subscribed capital was divided into paid up capital and callable capital in the proportion of 1 to 7. With the GCI-V, the authorized capital stock of the Bank consists of 10.81 percent paid up shares and 89.19 percent callable shares.

The subscribed capital remained at the same level of UA 21.49 billion at June 30, 2002 and June 30, 2003.

Total unsubscribed shares at June 30 2003 amounted to UA 379.38 million, comprising UA 196.42 million for shares to be issued upon payment of future cash instalment, UA 135.04 million of shares available for reallocation, and UA 47.92 million representing the shareholding of the former Socialist Federal Republic of Yugoslavia (former Yugoslavia). Since the former Yugoslavia no longer exists, its shares (composed of UA 41.93 million callable and UA 5.99 million paid-up shares) are currently held in treasury in accordance with Article 6 (6) of the Bank Agreement and the Share Transfer Rules. In 2002, the Board of Directors of the Bank approved the proposal to offer membership of the Bank to each of the successor states of the former Yugoslavia, subject to their meeting certain conditions including the assumption pro-rata of the contingent liabilities to the Bank as of December 31 1992 of the former Yugoslavia. The offer of membership has since been communicated to the successor states. If however, these states are not accepted as members of the Bank, the shares in treasury will be disposed of in accordance with the Share Transfer Rules and the resulting proceeds will be distributed pro-rata to them.

Prior to the fourth General Capital Increase (GCI-IV), payments on the share capital subscribed by the non-regional member countries were fixed in terms of their national currencies. Under GCI-IV, payments by regional and non-regional members in US\$ have been fixed at an exchange rate of 1 UA = US\$ 1.20635. As a result of these practices, losses or gains could arise from converting these currencies when received to Units of Account. Exchange differences also arise when subscriptions are translated at exchange rates ruling at the balance sheet date. Such conversion differences are debited or credited to the Cumulative Exchange Adjustment on Subscriptions.

At June 30, 2003 and 2002, the Cumulative Exchange Adjustment on Subscriptions was made up as follows:

(UA thousands)		
	2003	2002
Balance at 1 January	141 991	129 612
Net conversion losses on new subscriptions	1 164	643
Balance at June 30	<u>143 155</u>	<u>130 255</u>

Note H - Non-negotiable Instruments

Prior to May 1981, all payments on paid-up capital had been made in convertible currencies. However, for the capital increases authorized in May 1979 (but effective December 1982) and May 1981, regional members had the following two options for making their payments:

- a) Five equal annual instalments, of which at least 50 percent is payable in convertible currency and the remainder in the local currency; or
- b) five equal annual instalments, of which 20 percent is payable in convertible currency and 80 percent in non-negotiable, non-interest bearing notes. Such notes are redeemable by the Bank solely in convertible currency in instalments commencing on the fifth anniversary of the first subscription payment date.

Non-regional members were required to make their payments solely in convertible currencies.

The paid-up portion of subscriptions, authorized in accordance with Board of Governors' Resolution in Note G above (GCI-IV), is to be paid as follows:

- a) **Regional members** – 50 percent in five equal annual instalments in cash in freely convertible currency or freely convertible currencies selected by the member State, and 50 percent by the deposit of five non-negotiable, non-interest bearing notes of equal value denominated in Units of Account. Such notes are redeemable by the Bank solely in convertible currency in five equal annual instalments commencing on the fifth anniversary of the first subscription payment date.
- b) **Non-regional members** - five equal annual instalments in their national currencies, where such currencies are freely convertible or in notes denominated in freely convertible currencies encashable on demand.

Under GCI-V, there is no distinction in payment arrangements between regional and non regional-members. Each member is required to pay for the paid-up portion of its subscribed shares in eight equal and consecutive annual instalments. The first instalments shall be paid in cash and in a freely convertible currency. The second to the eighth instalments shall be paid in cash or notes encashable on demand in a freely convertible currency.

Note I - Investments

As part of the overall portfolio management strategy, the Bank invests in government and agency obligations, time deposits, asset-backed securities, repurchase agreements, resale agreements and related financial derivatives including futures, forward contracts, currency swaps, interest rate swaps, options and short sales.

For Government and agency obligations, the Bank may only invest in obligations with a minimum credit rating of AA- issued or unconditionally guaranteed by governments of member countries or other official entities. For asset-backed securities, the Bank may only invest in securities with a AAA credit rating. Investments in money market instruments are restricted to instruments having maturities of not more than one year and a minimum rating of A. Over-the counter (OTC) options on government securities and interest rate products are purchased only if the life of the option contract does not exceed one year, and such transactions are only executed with counterparts with credit ratings of AA- or above. Currency and interest rate swaps including asset swap transactions are permitted only with approved counter parties or guaranteed by entities with minimum credit ratings of AA-/Aa3 at the time of the transaction.

Income from investments comprised interest income of UA 45.87 million (2002: UA 25.36 million) and net realized and unrealized gains on investments of UA 0.74 million (2002: loss of UA 9.99 million).

The Bank uses external managers in the management of certain of its liquid assets, in accordance with the Bank's Asset and Liability management guidelines. At June 30, 2003, UA 181.30 million (2002: UA 166.21 million) of government and other obligations were under external management.

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(UA millions)

	US Dollars		Euro		GBP		Other Currencies		All Currencies	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Time Deposits										
Carrying Value	335.08	15.16	123.06	21.17	7.68	40.35	200.78	238.15	666.60	314.83
Average Balance During the period	248.17	146.05	101.42	34.53	14.30	33.45	104.21	306.96	468.10	520.99
Average Yield (%)	1.20	2.06	2.83	3.49	2.63	3.72	1.93	0.73	2.30	1.05
Average Maturity (year)	0.07	0.03	0.08	0.08	1.00	0.04	1.00	0.10	1.00	0.09
Asset Backed Securities										
Carrying Value	165.95	179.10	216.83	115.19	-	-	-	-	382.78	294.29
Average Balance During the period	125.75	152.40	178.78	97.41	-	-	-	-	304.53	249.81
Average Yield (%)	2.63	3.16	3.19	4.42	-	-	-	-	4.11	3.65
Average Maturity (year)	6.23	5.30	10.91	11.85	-	-	-	-	6.21	8.21
Government Agency and Agency Obligations										
Carrying Value	105.52	-	72.36	-	-	-	-	2.39	177.88	2.39
Average Balance During the period	79.85	-	71.31	-	-	-	-	2.39	151.16	2.39
Average Yield (%)	3.15	-	3.47	-	-	-	-	6.55	3.49	6.55
Average Maturity (year)	2.63	-	2.77	-	-	-	-	0.58	2.38	0.58
Corporate Bonds										
Carrying Value	125.77	148.32	146.61	340.61	6.10	10.92	27.02	59.78	305.50	559.63
Average Balance During the period	95.17	114.14	144.02	320.56	5.80	16.70	61.47	63.16	306.46	514.56
Average Yield (%)	2.62	2.86	3.08	3.86	3.76	5.02	0.03	2.59	2.96	3.20
Average Maturity (year)	2.56	3.32	3.07	2.48	1.88	1.52	2.05	3.60	3.62	2.65
Total investments										
Carrying Value	732.32	342.58	558.86	476.97	13.78	51.27	227.80	300.32	1,532.76	1,171.14
Average Balance During the period	548.94	412.59	495.53	452.50	20.10	50.15	165.68	372.51	1,230.25	1,287.75
Average Yield (%)	2.43	1.69	3.07	3.45	3.72	4.11	3.19	2.71	2.81	3.10
Swaps (Net)										
Currency Swaps - balances	3.77	81.90	(52.53)	(131.58)	0.94	38.66	34.63	(7.74)	(13.19)	(18.76)
Average Balance During the period	2.85	99.00	(43.30)	(48.25)	6.50	86.32	16.39	(5.58)	(17.56)	131.49
Average Yield (%)	1.24	3.26	1.09	5.46	3.85	7.63	1.20	1.20	(3.00)	5.55
Average Maturity (year)	1.89	1.86	2.47	1.99	(0.37)	1.50	2.51	0.36	2.44	1.81
The investments swaps on a Counter-party basis are:										
Assets									44.66	120.56
Liabilities									(57.85)	(139.32)
									(13.19)	(18.76)

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A summary of the Bank's investments held to maturity at June 30, 2003 and 2002 follows:

(UA millions)

	US Dollars		Euro		GBP		Other Currencies		All Currencies	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
<u>Time Deposits</u>										
Carrying Value	2.88	1.87	2.54	60.42	0.29	13.86	-	-	5.71	76.15
Average Balance During the period	2.46	7.43	1.95	26.07	0.26	20.29	-	-	4.67	53.79
Average Yield (%)	1.22	1.79	3.02	3.37	-	3.97	-	-	2.30	3.44
Average Maturity (year)	0.04	0.04	0.01	0.01	0.06	0.02	-	-	1.00	0.01
<u>Asset Backed Securities</u>										
Carrying Value	-	62.31	28.25	7.66	7.82	12.91	-	-	36.07	82.88
Average Balance During the period	-	62.47	21.69	7.24	7.18	12.33	-	-	28.87	82.04
Average Yield (%)	-	3.01	4.67	3.03	5.07	3.37	-	-	4.51	3.07
Average Maturity (year)	-	8.70	6.48	8.27	6.01	1.32	-	-	5.70	7.50
<u>Government Agency and Agency Obligations</u>										
Carrying Value	370.65	171.57	226.56	82.31	223.13	130.90	10.26	-	830.60	384.78
Average Balance During the period	317.16	172.02	173.98	77.76	204.96	124.93	10.56	-	706.66	374.71
Average Yield (%)	4.91	3.01	4.75	3.03	5.58	3.37	0.90	-	3.49	3.14
Average Maturity (year)	5.64	6.11	5.48	6.31	4.60	5.63	6.51	-	2.38	5.99
<u>Corporate Bonds and other</u>										
Carrying Value	257.19	126.47	317.48	49.12	107.88	69.25	67.80	-	750.35	244.84
Average Balance During the period	220.07	126.47	243.81	46.41	99.10	66.07	69.77	-	632.75	238.95
Average Yield (%)	4.84	3.01	4.97	3.03	5.12	3.37	0.68	-	3.43	3.12
Average Maturity (year)	5.23	6.77	3.67	6.64	5.29	5.23	7.12	-	4.50	6.12
<u>Total investments</u>										
Carrying Value	630.72	362.22	574.83	199.51	339.12	226.92	78.06	-	1,622.73	788.65
Average Balance During the period	539.69	368.39	441.43	157.48	311.50	223.62	80.33	-	1,372.95	749.49
Average Yield (%)	4.73	8.46	4.48	4.46	5.25	9.96	0.78	-	4.54	6.90

The maturity of held to maturity investments as at June 30, 2003 were as follows:

July 1, 2003 to December 31, 2003	44.78
January 1, 2004 to December 31, 2004	162.43
January 1, 2005 to December 31, 2005	120.37
January 1, 2006 to December 31, 2006	167.86
January 1, 2007 to December 31, 2007	128.04
January 1, 2008 to December 31, 2008	167.56
January 1, 2009 to December 31, 2009	235.12
January 1, 2010 to December 31, 2010	284.66
January 1, 2011 to December 31, 2011	257.22
January 1, 2012 to December 31, 2012	54.68
	<u>1,622.72</u>

Note J - Loans

The Bank's loan portfolio includes the following:

Multi-Currency Fixed Rate Loans: For all loans negotiated prior to July 1, 1990, the Bank charges interest at fixed rates. The estimated fair value of these loans is based on the discounted cash flows using the rate at which the Bank could undertake borrowings of comparable maturities.

Multi-Currency Variable Rate Loans: Effective from July 1, 1990 the Bank introduced variable rate loans in a bid to reduce its interest risk. The variable interest is reset twice a year and is based on the Bank's own cost of qualified borrowing plus 50 basis points, resulting in a pass-through of average borrowing costs to those lenders that benefit from the Bank's loans. The estimated fair value of variable rate loans is considered to approximate carrying value.

Single Currency Variable Rate Loans: The Bank introduced single currency variable rate loans on 1 October 1997. The lending rate is based on the average cost of the Bank's pool of specific borrowings for each currency comprising of mostly medium to long term fixed rate borrowings. It is reset semi-annually and also carries a spread of 50 basis points. The estimated fair value of single currency variable rate loans is considered to approximate carrying value.

Single Currency Floating Rate Loan: The Bank introduced LIBOR-based single currency floating rate loans with effect from October 1, 1997. The lending rate is tied to six-month LIBOR or (EURIBOR) in the currencies of the borrower's choice. The lending rate provides a direct pass-through of the Bank's cost of funds, and is reset annually with a spread of 50 basis points. The estimated fair value of single currency floating rate loans is considered to approximate carrying value.

Single Currency Fixed Rate Loan: Fixed rate loans were reintroduced with effect from October 1997 in the form of single currency fixed rate loans. The lending rate is based on the amortizing swap rate, that is, single fixed rate equivalent of 6 months LIBOR in the loan currency for value on the rate fixing date. It is based on the Bank's cost of borrowing for funding these loans in the loan currency plus a market risk premium and the bank's standard spread of 50 basis points. The estimated fair value of single currency fixed rate loans is considered to approximate carrying value.

Conversion of Multi-currency Pool-Based Variable Rate Loans: Borrowers were offered the choice to convert the disbursed and undisbursed amounts of their multi-currency pool based variable rate to single currency variable terms or retain the terms of their existing multi-currency pool-based variable rate loans. The conversion dates were October 1, 1997 and March 1, 1998. The other terms and conditions of converted loans remained the same as in the original loan agreements.

The Private Sector Loans : These loans are made at market terms and are at variable interest rates and their carrying values are considered to approximate fair value.

Fair Value

Loans are expressed in Units of Account, but repaid in the currencies disbursed.

At June 30, 2003 and 2002, the carrying and estimated fair values of loans were as follows:

(UA thousands)	2003		2002	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Public Sector Variable Rate Loans	3 759 475	3 759 475	3 702 442	3 702 442
Public Sector Fixed Rate Loans	1 973 120	2 305 690	2 415 350	2 893 120
Private Sector Loans	<u>175 950</u>	<u>175 950</u>	<u>108 706</u>	<u>108 706</u>
	5 908 545	6 241 115	6 226 498	6 704 268
Less: Accumulated Provision for Loan Losses	<u>(494 701)</u>	<u>(494 701)</u>	<u>(499 095)</u>	<u>(499 095)</u>
Net Loans	<u>5 413 844</u>	<u>5 746 414</u>	<u>5 727 403</u>	<u>6 205 173</u>

Loan Loss Provision

The movements in the accumulated provision for loan losses for 2003 and 2002 were as follows:

(UA thousands)	2003	2002
Balance at January 1	491 720	494 169
Provision for loan losses for the six months	3 318	4 512
Translation adjustment	<u>(337)</u>	<u>414</u>
Balance at June 30	<u>494 701</u>	<u>499 095</u>

During the six months ended June 30, 2003, specific provision on private sector loans of UA 3.32 million (2002: Nil) was made. The accumulated provisions on private sector loans at June 30, 2003 amounted to UA 15.62 million (2002: UA 14.65 million).

Interest rates charged on loans outstanding ranged from 2 percent per annum to 10% per annum. At June 30, 2003, loans made to or guaranteed by certain member countries and private sector loans, with an aggregate principal balance of UA 257.53 million (2002: UA 853.17 million), of which UA 1,177.98 million (2002: UA 484.54 million) was overdue, were in non-accrual status. If these loans had not been in non-accrual status, income from loans for the six months ended June 30, 2003 would have been higher by UA 63.39 million (2002: UA 40.97 million).

Effective July 1, 2002, the outstanding balance and accumulated arrears on loans interest to the Democratic Republic of Congo (DRC) were restructured into two new consolidated loans. Whilst the consolidation of the interest previously due has resulted in an increase of UA 361.19 million in loans outstanding and contractually due from the DRC, the balance sheet exposure to the DRC remained unchanged, due to the deferral of the recognition of such interest. The consolidated loans carry interest at the rate of 8.97 percent, representing the weighted average interest rate on all the DRC loans prior to the consolidation. The final maturity of the consolidated loan is 20 years which includes a 2 year grace period. The previous loans had final maturities extending to 2010. Although the consolidated DRC loans are contractually current, they remain in non-accrual status, to allow for a period of satisfactory performance.

Guarantee

The Bank may enter into special irrevocable commitments to pay amounts to the borrowers or other parties for goods and services to be financed under loan agreements. At June 30, 2003, irrevocable reimbursement guarantees issued by the Bank to commercial banks on undisbursed loans amounted to UA 17.58 million (2002: UA 109.07 million).

Also, the Bank has provided guarantees for securities issued by an entity eligible for the Banks' loans. Guarantees are regarded as outstanding when the borrower incurs the underlying financial obligation and are called when a guaranteed party demands payment under the guarantee. Outstanding guarantee of loan principal of UA 3.44 million at June 30, 2003, representing the maximum potential risk if the payments guaranteed for the entity are not made, was not included in reported loan balance.

In addition to the swaps on borrowings disclosed in Note "O", the Bank has entered into interest rate swaps which transform fixed rate income on loans in certain currencies into variable rate income. The fair value of interest rate swaps are included in the Balance Sheet under Accounts Receivable.

At June 30, 2003 and 2002 the carrying values and fair values of interest rate swaps on some of the Bank's loan portfolio were as follows:

(UA thousands)				
2003			2002	
Contract or Notional Amount	Estimated Fair Value		Contract or Notional Amount	Estimated Fair Value
Interest Rate Swaps.. 379 524	(25 311)		266 438	(22 584)

Heavily Indebted Poor Countries (HIPC) Initiative

The Bank participates in a multilateral initiative for addressing the debt problems of countries identified as Heavily Indebted Poor Countries (HIPC). Under this initiative, creditors provide debt relief for eligible countries that demonstrate good policy performance over an extended period to bring their debt burdens to sustainable levels. Under the original framework of HIPC initiatives, selected loans to eligible beneficiary countries were paid off by the HIPC Trust Fund at a price equivalent to the lower of the net present value of the loans, as calculated using the methodology agreed under the initiatives, and their nominal values.

Following the signature of a HIPC debt relief agreement, the relevant loans were paid off at the lower of their net present value or their carrying value. On average, loans in the ADB's portfolio carry higher interest rates than the present value discount rates applied and therefore the net present value of the loans exceeds the book value. Consequently, affected ADB loans were paid off by the HIPC Trust Fund at book values.

The HIPC initiative was enhanced in 1999 to provide greater, faster and more poverty-focused debt relief. This was achieved by reducing the eligibility criteria for qualification under the initiative and by commencing debt relief much earlier than under the original framework. Under the enhanced framework, where 32 African countries are eligible, the debt relief is delivered through annual debt service reductions; and release of up to 80% of annual debt service obligations as they come due until the total debt relief is provided. In addition, interim financing between the decision and completion points, of up to 40% of total debt relief is provided whenever possible, within a 15-year horizon. At June 30, 2003, the Board of Directors had approved relief for 16 ADB borrowing countries, of which 7 had reached the completion point. During the six months ended June 30, 2003, debt relief of UA 33.29 million (2002: UA 37.72 million) was received on behalf of the ADB borrowing countries.

Maturity and Currency Composition of Outstanding Loans

Maturity Distribution as at June 30, 2003

(UA millions)

	Fixed Rate	Floating Rate	Variable Rate	Total
1 July 2003 to 31 December 2003	316.76	32.69	468.45	817.90
1 January 2004 to 31 December 2004	205.15	79.77	271.76	556.68
1 January 2005 to 31 December 2005	194.20	104.95	265.98	565.13
1 January 2006 to 31 December 2006	193.44	102.59	251.36	547.39
1 January 2007 to 31 December 2007	189.00	109.01	238.53	536.54
1 January 2008 to 31 December 2011	353.47	413.82	882.83	1,650.12
1 January 2012 to 31 December 2015	92.15	286.38	258.60	637.13
1 January 2016 to 31 December 2019	185.30	153.31	13.47	352.08
1 January 2020 to 31 December 2023	243.64	1.94	-	245.58
	1,973.11	1,284.46	2,650.98	5,908.55

Currency Composition and type of loans as at June 30, 2003 and 2002

(Amounts in UA millions)

			2003		2002	
			Amount	%	Amount	%
Fixed Rate	Multi Currency	Euro	183.84		260.13	
		Japanese Yen	355.86		776.89	
		Swiss Francs	70.05		151.56	
		Pound Sterling	2.03		5.11	
		US Dollars	517.89		916.41	
		Others	17.56		19.29	
			1,147.23	19.42%	2,129.39	34.20%
	Single Currency	Euro	368.61		169.42	
		Japanese Yen	147.94		-	
		Swiss Francs	52.99		-	
		Pound Sterling	2.30		-	
		US Dollars	243.18		109.61	
		South African Rand	10.55		6.93	
		Others	0.32		-	
			825.89	13.98%	285.96	4.59%
Floating Rate	Single Currency	Euro	581.27		515.02	
		South African Rand	62.64		23.68	
		US Dollars	640.55		356.33	
			1,284.46	21.74%	895.03	14.37%
Variable Rate	Multi Currency	Euro	278.61		264.66	
		Japanese Yen	98.60		117.63	
		Swiss Francs	3.23		3.48	
		US Dollars	285.66		324.51	
		Others	0.57		0.54	
			666.67	11.28%	710.82	11.42%
	Single Currency Converted	Euro	622.81		618.45	
		Japanese Yen	363.52		447.96	
		Swiss Francs	20.01		20.89	
		US Dollars	977.88		1,117.91	
		Others	0.08		0.09	
			1,984.30	33.59%	2,205.30	35.42%
			5,908.55	100.00%	6,226.50	100.00%

Summary of Currency Composition of Loans at June 30, 2003 and 2002

(Amounts in UA millions)

	2003		2002	
	Amount	%	Amount	%
Euro	2,035.13	34.44	1,827.68	29.35
Japanese Yen	965.92	16.35	1,342.48	21.56
Swiss Francs	146.29	2.48	175.93	2.83
Pound Sterling	4.34	0.07	5.11	0.08
US Dollars	2,665.16	45.11	2,824.77	45.37
South African Rand	73.19	1.24	30.61	0.49
Others	18.52	0.31	19.92	0.32
	5,908.55	100.00	6,226.50	100.00

Note K -Equity Participations

As at June 30, 2003 and 2002, the cost and carrying values of the Bank's equity participation (including private sector equity participations) were as follows:

(Amounts in UA thousands)

<u>Institutions</u>	<u>Year Established</u>	<u>Callable Capital</u>	<u>Carrying Value</u>	
			2003	2002
African Development Fund	1972	-	111,741	111,741
Regional Development Banks :				
BDEAC	1975	2,238	1,493	1,373
East African Development Bank	1967	-	5,000	5,000
P. T. A. Bank	1985	10,000	5,000	5,000
Afreximbank	1993	10,708	7,138	7,516
BOAD	1973	1,865	623	571
BDEGL	1980	-	1,947	1,946
		24,811	21,201	21,406
Other :				
AIG Africa Infrastructure Fund	1999	22,755	12,866	10,633
K-REP Bank Limited	1997	-	729	778
South Africa Infrastructure Fund	1996	2,366	8,318	4,768
Alexandria National Iron & Steel	1993	-	10,753	15,703
Acacia Fund Limited	1996	-	1,224	1,365
Zimbabwe Development Bank	1984	-	3	47
Msele Nedventure Limited	1995	-	1,134	880
Zambia Venture Capital Fund	1996	-	1,428	1,503
Indian Ocean Regional Fund Limited	1999	837	1,304	1,136
Meridien BIAO SA	1991	-	5,354	5,637
Africa - Re	1977	-	714	752
Shelter Afrique	1982	-	3,569	3,758
Development Bank of Zambia *	1974	-	0	0
National Development Bank of Sierra Leone*			0	0
		25,958	47,396	46,960
Total - all equity investments		50,769	180,337	180,107
Less Accumulated Provision for Losses		-	16,463	20,320
Net		50,769	163,874	159,787

* Amounts fully disbursed, but with values less than UA 100 at the current exchange rate.

The Bank performs periodic reviews of its equity investments in order to create specific provisions for those equity investments for which there is a significant and lasting decline in value.

An analysis of the movement in accumulated provision for loss on equity participation is as follows:

(UA thousands)		
	2003	2002
Balance at January 1	17 969	18 918
Provision for the period	-	2 111
Translation Adjustment	<u>(1 506)</u>	<u>(709)</u>
Balance at June 30	<u>16 463</u>	<u>20 320</u>

Note L - Fixed Assets

(UA thousands)				
	2003		2002	
	Acquisition Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land	141	-	141	141
Building and improvements	21 831	20 952	879	1 211
Furniture, fixtures and fittings	3 333	2 729	604	535
Equipment and motor vehicles	<u>44 201</u>	<u>28 714</u>	<u>15 487</u>	<u>15 283</u>
TOTAL	<u>69 506</u>	<u>52 395</u>	<u>17 111</u>	<u>17 170</u>

Note M - Administrative Expenses

Administrative expenses are made up as follows:

(UA thousands)		
	2003	2002
Personnel expenses	56 847	40 433
Other general expenses	<u>17 581</u>	<u>9 275</u>
TOTAL	<u>74 428</u>	<u>49 708</u>

To insulate the Bank from possible substantial increases in administrative expenses that could arise from an appreciation of the Euro vis-à-vis the UA, the Bank has purchased a European call option, where the Bank buys EURO and sells UA at a predetermined exchange rate. The option was purchased at a premium of UA 0.49 million, covers the twelve months in 2003 and is exercisable in December 2003. The nominal value of this option is UA 16.00 million while the market value at June 30, 2003 was UA 1.22 million.

Note N - Management Fees

Management fees, representing allocations of common administrative expenses to the African Development Fund and the Nigeria Trust Fund based on a predetermined formula, are summarized below:

(UA thousands)		
	2003	2002
African Development Fund (ADF)	52 775	35 389
Nigeria Trust Fund (NTF)	<u>722</u>	<u>943</u>
TOTAL	<u>53 497</u>	<u>36 332</u>

Note O - Borrowings

The Bank's borrowing strategy is driven by three major factors, namely: timeliness in meeting cash flow requirements, optimizing asset and liability management with objective of mitigating exposure to financial risks, and providing cost effective funding. In addition to long and medium term borrowings; the Bank also undertakes short term borrowing for cash and liquidity management purposes only.

The Bank has entered into currency swap agreements with major international banks by which proceeds of a borrowing are converted into a different currency and simultaneously a forward exchange agreement is executed providing for the future exchange of the two currencies in order to recover the currency converted.

The Bank has also entered into interest rate swaps, which transform a floating rate payment obligation in a particular currency into a fixed rate payment obligation or vice-versa.

The Bank has a potential risk of loss if the swap counterpart fails to perform its obligations. In order to reduce such credit risk, the Bank only enters into long-term swap transactions with counterparts eligible under the Bank's Assets and Liability Management guidelines, which include requirement that the counterparts have a minimum credit rating of AA-/Aa3. The Bank does not anticipate that any of its counterparties will fail to perform their obligations under such agreements.

At June 30, 2003, borrowings with embedded callable options amounted to UA 641.76 million (2002: UA 643.92 million). These options can be exercised annually on interest payments dates from the time the bond is first callable until its maturity date.

It is the Bank's policy to limit senior borrowing and guarantees chargeable to the Bank's ordinary and capital resources to 80 percent of the callable capital of its non-borrowing members and also to limit the total borrowing represented by both senior and subordinated debt to 80 percent of the total callable capital of all its member countries. At June 30, 2003, total borrowing amounted to UA 5,468.18 million comprising of senior debt and subordinated debt amounting to UA 4 599.01 million and UA 869.17 million, respectively. As of the same date, the ratio of senior debt to the non-borrowing members' callable capital of UA 8,534.92 million was 53.88 per cent. Also at June 30, 2003 the ratio of total outstanding borrowings to the total callable capital of UA 19,339.92 million was 28.27 per cent.

The summary of the Bank's borrowing portfolio as June 30, 2003 and 2002 follows:

A summary of the Bank's borrowings portfolio at June 30, 2003 follows:

Borrowings and Swaps at June 30, 2003

Amounts in millions of UA

Currency	Rate Type	Direct Borrowings			Currency Swap Agreements (a)			Interest Rate Swaps			Net Currency Obligations		
		Amount	Wgtd. Avg. Cost (%) (b)	Average Maturity (Years)	Amount payable (receivable)	Wgtd. Avg. Cost (%) (b)	Average Maturity (Years)	Notional amount payable (receivable)	Wgtd. Avg. Cost (%) (b)	Average Maturity (Years)	Amount payable (receivable)	Wgtd. Avg. Cost (%) (b)	Average Maturity (Years)
Euro (c)	Fixed	248.71	6.50	3.3	139.20	1.62	16.2	191.14 (248.71)	5.16 6.50	5.1 5.1	579.05 (248.71)	4.88 6.50	7.0 5.1
	Adjustable	62.18	3.77	3.9	1,461.88 (39.51)	2.00 4.14	11.7 3.8	310.87 (253.32)	3.92 2.66	3.5 4.6	1,834.93 (292.83)	2.39 3.03	10.0 4.7
Sterling	Fixed	58.90	11.13	6.5							58.90	11.13	6.5
	Adjustable				(58.90)	9.67	6.5	(58.90) 58.90	11.13 11.07	6.5 6.5	(117.80) 58.90	10.40 11.07	6.5 6.5
Japanese Yen	Fixed	1,097.17	2.38	8.5				238.25 (785.71)	4.64 1.05	4.8 5.6	1,335.42 (1,315.87)	2.78 0.92	7.8 6.7
	Adjustable	865.20	2.98	6.6	(250.16) (1,143.25)	0.52 1.56	10.0 8.0	831.83 (304.36)	(0.02) 0.80	7.6 8.6	1,767.03 (1,447.61)	1.59 1.40	7.1 8.1
US Dollars	Fixed	2,176.51	4.83	9.2				(345.56)	0.91	4.5	1,830.95	5.57	10.1
	Adjustable				(442.58) 1,297.27 (398.39)	2.62 0.84 1.03	6.3 11.6 4.6	345.56	1.70	1.4	(442.58) 1,842.83 (398.39)	2.62 1.02 1.03	6.3 9.5 4.6
Others	Fixed	878.70	1.25	10.3	51.61 (707.25)	2.77 1.18	1.0 9.5	189.81 (167.13)	3.36 2.21	5.0 4.6	1,120.12 (874.38)	1.68 1.38	9.0 8.6
	Adjustable				213.38	1.15	3.6	9.45 (32.12)	5.33 4.69	1.4 5.8	222.83 (32.12)	1.33 4.69	3.5 5.8
Total	Fixed	4,459.99	3.70	8.9	190.81 (1,458.89)	1.93 1.39	12.1 8.2	273.64 (1,240.45)	8.83 2.78	5.5 5.4	4,924.44 (2,696.34)	3.91 2.03	8.9 8.9
	Adjustable	1,027.38	3.03	6.4	2,972.53 (1,581.15)	1.43 1.49	11.1 7.0	1,556.61 (589.80)	1.60 1.90	5.3 6.8	5,558.52 (2,170.95)	1.77 1.60	6.6 7.0
Principal at face value		5,487.37	3.57	8.5	123.30						5,610.67	3.60	
Net unamortized premium		(25.14) 5,462.23									(25.14) 5,585.53		
IAS 39 Adjustment		5.95			(91.05) (d)			(65.13) (d)			(150.22)		
Total		5,468.18	3.57	8.5	32.25			(65.13)			5,435.31	3.60	

Supplementary disclosure:

Estimated fair value

- Currency swap agreements include cross-currency interest rate swaps.
- The average repricing period of the net currency obligations for adjustable rate borrowings was six months. The rates indicated are those prevailing at 30 June, 2003.
- The Euro is an aggregation of all currency denominations in the European Monetary Union.
- The total of UA 156.18 million is included in swaps receivable on the balance sheet. Slight differences may occur in totals due to rounding.

A summary of the Bank's borrowings portfolio at June 30, 2002 follows:

Borrowings and Swaps at June 30, 2002

Amounts in millions of UA

Currency	Rate Type	Direct Borrowings			Currency Swap Agreements (a)			Interest Rate Swaps			Net Currency Obligations		
		Amount	Wgt. Avg. Cost (%) (b)	Average Maturity (Years)	Amount payable (receivable)	Wgt. Avg. Cost (%) (b)	Average Maturity (Years)	Notional amount payable (receivable)	Wgt. Avg. Cost (%) (b)	Average Maturity (Years)	Amount payable (receivable)	Wgt. Avg. Cost (%) (b)	Average Maturity (Years)
Euro (c)	Fixed	343.71	6.48	3.0				227.87	5.02	4.8	571.58	5.89	3.7
	Adjustable	57.15	3.77	4.9	931.05 (65.32)	3.18 3.21	12.7 4.8	374.67 (802.73)	3.21 1.32	4.8 4.8	1,363.08 (636.05)	3.21 1.43	10.2 4.8
Sterling	Fixed	57.76	11.13	7.6							57.76	11.13	7.6
	Adjustable				(57.76)	9.67	6.9	(57.76)	11.13	7.5	(115.52)	10.40	7.2
					57.76	9.76	7.5	57.76	9.76	7.5	57.76	9.76	7.5
Japanese Yen	Fixed	1,410.79	2.24	7.9				440.46	4.92	3.0	1,651.25	2.89	6.7
	Adjustable	1,076.93	2.77	7.0	(327.20)	0.99	8.9	(997.70)	1.51	5.7	(1,324.90)	1.28	6.5
					(1,076.23)	2.32	6.5	1,130.46 (573.23)	0.03 0.53	7.7 8.0	2,207.35 (1,648.49)	1.34 1.70	7.4 7.0
US Dollars	Fixed	1,666.94	7.00	9.1							1,666.94	7.00	9.1
	Adjustable				(157.52)	6.04	3.0	(225.49)	6.25	0.3	(383.00)	6.16	1.4
					710.20	1.65	6.2	225.49	1.94	0.3	936.69	1.72	4.8
					(236.59)	1.83	3.5				(236.59)	1.83	3.5
Others	Fixed	72.45	8.10	4.2	49.71	3.65	2.2				122.16	6.29	3.4
	Adjustable				(60.94)	7.91	3.1	(7.33)	14.00	2.4	(68.27)	8.56	4.0
					232.62	4.52	1.9	7.33	10.39	2.4	209.65	4.72	1.9
Total	Fixed	3,754.65	5.26	8.0	49.71	3.65	2.2	688.33	4.96	3.6	4,472.69	5.20	7.3
	Adjustable	1,134.08	2.82	6.9	(603.42)	2.54	5.8	(1,288.27)	2.84	4.8	(1,691.59)	2.74	5.1
					1,643.66	2.74	9.0	1,796.50	1.25	6.1	4,773.66	2.20	7.4
					(1,348.17)	2.26	5.9	(1,175.95)	0.93	6.4	(2,524.13)	1.64	6.1
Principal at face value		4,888.73	4.70	7.6	(68.00)						4,880.73	5.05	
Net unamortized premium		(27.77)									(27.77)		
		4,860.96			(68.00)						4,802.96		
IAS 39 Adjustment		55.11			(137.15) (c)			(16.66) (c)			(68.30)		
Total		4,916.07	4.70	7.8	(195.15)			(16.66)			4,704.06	5.05	

Supplementary disclosure:

Estimated fair value 5,130.79

- Currency swap agreements include cross-currency interest rate swaps.
- The average repricing period of the net currency obligations for adjustable rate borrowings was six months. The rates indicated are those prevailing at 30 June, 2002.
- The Euro is an aggregation of all currency denominations in the European Monetary Union.
- The total of UA 154.01 million is included in swaps receivable on the balance sheet. Slight differences may occur in totals due to rounding.

The fair value of interest rate swaps on borrowings is included in the Balance Sheet under Accounts Receivable.

The maturity structure of outstanding borrowings as at June 30, 2003 is as follows:

(UA millions)

<u>Periods</u>	<u>Ordinary</u>	<u>Callable</u>	<u>Total</u>
1 July 2003 to 31 December 2003	124.87	252.24	377.11
1 January 2004 to 31 December 2004	506.66	223.35	730.01
1 January 2005 to 31 December 2005	357.13	81.00	438.14
1 January 2006 to 31 December 2006	248.92	79.22	328.13
1 January 2007 to 31 December 2007	292.59	-	292.59
1 January 2008 to 31 December 2012	952.22	-	952.22
1 January 2013 to 31 December 2017	1 554.39	-	1 554.39
1 January 2018 to 31 December 2022	337.74	-	337.74
1 January 2023 to 31 December 2027	459.18	-	459.18
1 January 2028 to 31 December 2031	17.87	-	17.87
Subtotal	4 851.56	635.81	5 487.37
Net unamortized premium	(25.14)	-	(25.14)
IAS 39 adjustment	-	5.95	5.95
TOTAL	<u>4 826.43</u>	<u>641.76</u>	<u>5 468.19</u>

Unrealized net gains on non-trading derivatives

Unrealized net gains on non-trading derivatives included in income and expenses for the six months ended June 30, 2003 and 2002 are as follows:

(UA thousands)

	<u>2003</u>	<u>2002</u>
Interest Rate swaps on borrowings	24 248	3 712
Cross currency swaps on borrowings	14 564	86 529
Borrowings with embedded derivatives	(1 636)	(44 540)
Interest rate swaps on loans	1 505	(18 410)
TOTAL	<u>38 681</u>	<u>27 291</u>

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Note P – Net currency position at June 30, 2003

(UA thousands)

	Euro	US Dollars	Japanese yen	Pound Sterling	Other	Sub-total	Units of Account	Total
Assets								
Due from Bank	6,329	15,521	91,139	942	3,819	117,750	-	117,750
Demand obligations	-	-	-	-	3,800	3,800	-	3,800
Investments - Trading (a)	504,781	754,002	26,479	14,725	219,578	1,519,565	-	1,519,565
Investments - Held to Maturity	574,826	630,714	78,062	339,128	-	1,622,730	-	1,622,730
Non negotiable Instruments on account of capital	-	50,030	-	-	-	50,030	-	50,030
Accounts receivable	50,562	52,673	21,876	13,756	6,887	145,754	83,973	229,727
Loans	1,878,190	2,442,513	870,018	3,943	217,049	5,411,713	2,132	5,413,845
Equity participation	622	28,029	-	-	14,982	43,633	120,241	163,874
Other assets	689	116	-	-	271	1,076	16,385	17,461
	3,015,999	3,973,598	1,087,574	372,494	466,386	8,916,051	222,731	9,138,782
Liabilities and Equity								
Accounts payable	(45,882)	(47,695)	(6,632)	(114)	(9,266)	(109,589)	(98,177)	(207,766)
Borrowings	(310,035)	(2,158,047)	(2,059,969)	(55,482)	(878,694)	(5,462,227)	(5,956)	(5,468,183)
	(355,917)	(2,205,742)	(2,066,601)	(55,596)	(887,960)	(5,571,816)	(104,133)	(5,675,949)
Currency swaps on borrowings and related derivatives (b)	(1,561,568)	(456,298)	1,393,408	58,896	442,261	(123,301)	156,184	32,883
Currency position as at June 30, 2003	1,098,514	1,311,558	414,381	375,794	20,687	3,220,934	274,782	3,495,716
% of sub-total	34.11	40.72	12.87	11.67	0.64	100.00		
SDR composition (%) as at June 30, 2003	34.74	41.17	12.50	11.59	-	100.00		

(a) Investments held for trading is made up as follows:

Amount per balance sheet :	Investments trading	1,532,760
	Currency Swaps receivable	44,658
	Currency Swaps payable	(57,853)
Amount per statement of net currency position		1,519,565

(b) Currency Swaps on borrowings is made up as follows:

Amount per balance sheet :	Currency Swaps receivable	182,660
	Currency Swaps payable	(149,777)
Net Swaps on borrowings per statement of net currency position		32,883

Note Q – Liquidity Position

The Bank's liquidity policy ensures that it has the resources to meet its net disbursement and debt service obligations while at the same time allowing the flexibility in deciding the appropriate time to access the capital markets. The Bank's liquidity policy requires that it holds liquid assets in a target zone, above the required prudential minimum level of liquidity (PML) and less than the operational level of liquidity (OLL). The PML is computed as the sum of the debt service payment for the next year, the projected net loan disbursement for the next year, the loan equivalent value of signed guarantees and the undisbursed equity investments. The OLL is computed as the prudential minimum level of liquidity (PML) plus 50% of the stock of undisbursed loans. The table below provides an analysis of assets, liabilities and members' equity into relevant maturity groupings based on the remaining period from the balance sheet date to contractual maturity date. It is presented under the most prudent consideration of maturity dates where options or repayment patterns allow for early repayment possibilities. Therefore, in the case of liabilities the earliest possible repayment date is shown, while for assets, it is the latest possible repayment date. Assets and liabilities that do not have a contractual maturity date are grouped together in the "Maturity undefined" category.

(UA thousands)

	Up to and including 1 year	Over 1 year and up to and including 5 years	Over 5 years and up to and including 10 years	Over 10 years and up to and including 15 years	Over 15 years	Maturity undefined	Total
Assets							
Due from Bank	117,750	-	-	-	-	-	117,750
Demand obligations	3,800	-	-	-	-	-	3,800
Amount receivable from currency Swaps	47,340	12,404	91,224	33,008	43,344	-	227,318
Investments - Trading	1,532,760	-	-	-	-	-	1,532,760
Investments - Held to Maturity	120,089	577,532	925,129	-	-	-	1,622,730
Non negotiable Instruments on account of capital	6,860	35,335	7,835	-	-	-	50,030
Accounts receivable	229,727	-	-	-	-	-	229,727
Loans	817,910	2,205,743	1,882,519	571,569	430,804	-	5,908,545
Accumulated loan loss provision	-	-	-	-	-	(494,701)	(494,701)
Equity participation	-	-	-	-	-	183,874	183,874
Other assets	350	-	-	-	-	17,111	17,461
	2,876,566	2,831,014	2,906,707	604,575	474,148	(313,718)	9,379,295
Liabilities and Equity							
Accounts payable	(207,768)	-	-	-	-	-	(207,768)
Amounts payable for currency swaps	(94,123)	(6,344)	(24,194)	(41,891)	(41,078)	-	(207,630)
Borrowings	(377,110)	(1,788,970)	(952,220)	(1,554,390)	(814,780)	19,187	(5,468,183)
Equity	-	-	-	-	-	(3,495,716)	(3,495,716)
	(678,999)	(1,795,214)	(976,414)	(1,596,281)	(855,858)	(3,476,529)	(9,379,295)
Liquidity position as at June 30, 2002	2,197,567	1,035,800	1,930,293	(991,706)	(381,710)	(3,790,245)	-
Supplementary information							
Loans in chronic arrears (more than 2 years)	246,925	116,087	94,449	14,549	-	-	472,010

Note R – Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The length of time for which the rate of interest is fixed on a financial instrument indicates to what extent it is exposed to interest rate risk. The table below provides information on the extent of the Bank's interest rate exposure based either on the contractual maturity date of its financial instruments or, in the case of instruments that reprice to a market rate of interest before maturity, the next repricing date. Securities that comprise the Bank's dealing portfolio are assumed to reprice within the "Up to and including 1 year" category.

(UA thousands)

	Up to and including 1 year	Over 1 year and up to and including 5 years	Over 5 years and up to and including 10 years	Over 10 years and up to and including 15 years	Over 15 years	Non interest bearing funds	Total
Assets							
Due from Bank	28,801	-	-	-	-	88,949	117,750
Demand obligations	-	-	-	-	-	3,800	3,800
Investments - Trading	1,519,565	-	-	-	-	-	1,519,565
Investments - Held to Maturity	44,493	563,505	969,618	-	-	45,114	1,622,730
Non negotiable Instruments on account of capital	-	-	-	-	-	50,030	50,030
Accounts receivable	37,432	-	-	-	-	192,295	229,727
Loans	2,342,236	1,425,126	610,356	615,371	915,457	-	5,908,546
Accumulated loan loss provision	-	-	-	-	-	(494,701)	(494,701)
Equity participation	-	-	-	-	-	163,874	163,874
Other assets	-	-	-	-	-	17,461	17,461
	3,972,527	1,988,631	1,579,974	615,371	915,457	66,822	9,138,782
Liabilities and Equity							
Accounts payable	(41,974)	-	-	-	-	(165,792)	(207,766)
Borrowings (b & c)	(3,675,067)	(662,600)	(174,492)	(528,896)	(569,785)	175,540	(5,435,300)
	(3,717,041)	(662,600)	(174,492)	(528,896)	(569,785)	9,748	(5,643,066)
Position of interest rate risk as at June 30, 2003	255,486	1,326,031	1,405,482	86,475	345,672	76,570	3,495,716
(a) Investments held for trading is made up as follows:							
Amount per Investments trading	1,532,760	-	-	-	-	-	-
Currency Swaps receivable	44,658	-	-	-	-	-	-
Currency Swaps payable	(57,853)	-	-	-	-	-	-
Amount per statement of interest rate risk	1,519,565	-	-	-	-	-	-
(b) Borrowings is made up as follows:							
Amount per Borrowings	5,067,581	-	-	-	-	-	-
Currency Swaps receivable	(258,955)	-	-	-	-	-	-
Currency Swaps payable	155,514	-	-	-	-	-	-
Net borrowings per statement of interest rate risk	4,964,140	-	-	-	-	-	-
(c) Non interest bearing funds included in borrowings is made up as follows:							
Cross currency swaps - IAS 39 adjustment	91,053	-	-	-	-	-	-
Interest rate swaps - IAS 39 adjustment	65,131	-	-	-	-	-	-
IAS 39 adjustment of embedded derivatives on borrowings	(5,955)	-	-	-	-	-	-
Pre - issuance costs on borrowings	25,311	-	-	-	-	-	-
	175,540	-	-	-	-	-	-

Note S - Financial Risks

In the normal course of its development banking business, the Bank may be exposed to the following types of financial risk:

Country Credit Risk: Country credit risk includes potential losses arising from a country's inability or willingness to service its obligations to the Bank. The Bank manages country credit risk through financial policies and lending strategies, including individual country exposure limits and overall creditworthiness assessments. These include the assessment of the country's macroeconomic performance as well as its socio-political conditions and future growth prospects. Potential losses from country credit risk are considered in the determination of the accumulated provision for loan losses. Such consideration of country credit risk has resulted in an increase in the accumulated provision for loan losses on the Bank's public sector loans from 5.50 percent at the end of 1999 to 8.36 percent by June 30, 2003.

Commercial Credit Risk: In the ordinary course of business, the Bank uses a variety of financial instruments, some of which involve elements of commercial credit risk in excess of the amount recorded on the balance sheet. Commercial credit risk exposure represents the maximum potential accounting loss due to possible nonperformance by counter parties under the terms of the contracts. Additionally, the nature of the instruments involve contract value and notional principal amounts that are not reflected in the basic financial statements. For securities, the Bank limits trading to a list of authorized dealers and counter parties with the highest credit ratings. Credit risk is controlled through application of eligibility criteria and limits for transactions with individual counter parties, based on their credit rating and size, subject to a maximum of 10 percent of the Bank's total risk capital for any single counter party. The Bank may require collateral in the form of cash or other approved liquid securities from individual counter parties in order to mitigate its credit exposure.

Market Risks: Market risks encompass funding, liquidity, currency and interest and exchange rate risks. Such risks are managed through the pricing of loans and the Bank's overall asset and liability management practices. The Bank's liquidity policy ensures that it has the resources to meet its net disbursement and debt service obligations and allow it flexibility in deciding the appropriate time to access the capital market. To achieve this objective, the Bank operates on a prudential minimum as well as an operational level of liquidity established by this policy. The prudential minimum level of liquidity is based on the debt service payment of the next year, the projected net loan disbursement for the next year, the loan equivalent value of signed guarantees and the undisbursed equity investments. All potential debt service payments due to early redemption of swaps and borrowings with embedded options are included in the determination of the debt service payment of the next year. To enable the Bank to take advantage of low-cost funding opportunities as they arise, the Bank's policy allows it to build up liquid resources above the prudential minimum level. The maximum level of liquidity is limited to the total of the minimum plus 50% of the stock of undisbursed loans. The Bank maintains interest rate limits for each internally managed or externally managed active currency portfolio. The borrowing cost pass-through formulation incorporated in the lending rates charged on the Bank's recent loans, has helped to limit the interest rate sensitivity of the net spread earnings on its loan portfolio. The Bank holds or lends the proceeds of its borrowings in the same currencies borrowed (after swap activities). Also, to avoid currency mismatches, borrowers are required to service their loans in the currencies disbursed by the Bank. Furthermore, in order to minimize exchange rate risks, the Bank matches its borrowing obligations in any one currency (after swap activities) with assets in the same currency. The Bank also offers loans with interest rates directly linked to market interest rates. For such market-based loan products, the Bank's net margin is preserved by using swaps to align the interest rate sensitivity of the loans with that of the Bank's underlying funding (six-month libor floating rate).

Note T – Grants

The Bank administers grants on behalf of donors, including member countries, agencies and other entities. Grant resources are restricted for specific uses, which include the co-financing of the Bank's lending projects, debt reduction operations; technical assistance for borrowers including feasibility studies and project preparation, global and regional programs and research and training programs. These funds are placed in trust and are not included in the assets of the Bank. In accordance with Article 11 of the Agreement establishing the Bank, the accounts of these grants are kept separate from those of the Bank. The undisbursed balances of the grant resources at June 30, 2003 and 2002 comprised the following:

(UA thousands)

	<u>2003</u>	<u>2002</u>
AMINA	1 593	2 231
AMTA/NAMTA	252	295
Belgium	2 693	3 515
Canada	899	551
China	52	59
Denmark	503	170
Finland	93	101
France	2 702	2 732
India	1 206	2 085
Italy	548	573
Korea	1 717	1 613
Nordic	2 074	67
The Netherlands	1 857	717
Norway	1 113	813
Spain	560	701
Sweden	1 925	2 934
Switzerland	<u>230</u>	<u>671</u>
TOTAL	<u>20 018</u>	<u>19 828</u>

Note U – Segment Reporting

Management believes that the Bank has only one reportable segment, because it does not manage its operations by allocating resources based on a determination of the contribution to net income from individual borrowers. In addition, given the nature of the Bank, the risk and return profiles are sufficiently similar among borrowers that the Bank does not differentiate between the nature of the products or services provided, the preparation process or the method for providing the services among individual countries.

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Note V – Summary of Loans at June 30, 2003

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(Amounts in UA thousands)

Country	No of Loans*	Total Loans	Unsigned Loans	Undisbursed Balance	Outstanding Balance	% of Total Loans
Algeria	24	1,072,281	-	299,813	772,467	13.07
Angola	5	7,126	-	1,822	5,304	0.08
Botswana	11	41,966	-	4,976	36,990	0.63
Burkina Faso	1	1,415	-	-	1,415	0.02
Burundi**	4	6,937	-	-	6,937	0.12
Cameroon	9	151,886	32,409	10,387	109,070	1.85
Cape Verde	1	39	-	-	39	0.00
Central African Republic**	1	2,380	-	-	2,380	0.04
Comoros**	1	6,231	-	-	6,231	0.11
Congo**	9	131,857	-	-	131,857	2.23
Côte D'Ivoire**	14	389,959	-	35,128	354,831	5.01
Dem Republic of Congo**(a)	6	340,895	-	-	340,895	5.77
Egypt	12	317,515	-	125,558	191,958	3.25
Equatorial Guinea	1	284	-	-	284	0.00
Ethiopia	8	89,631	-	249	89,382	1.51
Gabon	17	287,154	-	92,548	194,606	3.29
Ghana	5	49,819	-	-	49,819	0.84
Guinea	7	61,278	-	3,066	58,212	0.99
Kenya	5	31,428	-	-	31,428	0.53
Lesotho	2	4,755	-	-	4,755	0.08
Liberia**	17	40,832	-	-	40,832	0.69
Madagascar	5	3,204	-	-	3,204	0.05
Malawi	2	10,997	-	-	10,997	0.19
Mauritania	2	45,738	-	11,053	34,685	0.59
Mauritius	10	40,121	8,281	27,474	4,366	0.07
Morocco	32	1,482,821	-	526,866	955,955	16.18
Mozambique	1	1,060	-	69	990	0.02
Namibia	5	58,452	-	33,604	24,848	0.42
Nigeria	15	617,833	-	99,460	518,372	8.77
Rwanda	1	17	-	-	17	0.00
Senegal	5	66,257	513	-	65,744	1.11
Seychelles**	9	29,029	-	9,000	20,030	0.34
Somalia**	3	3,683	-	-	3,683	0.06
South Africa	3	166,099	-	28,963	137,135	2.32
Sudan**	5	58,416	-	-	58,416	0.99
Swaziland	10	101,169	38,020	2,186	60,963	1.03
Tanzania	1	6,005	-	-	6,005	0.10
Tunisia	46	1,591,411	-	483,158	1,108,253	18.76
Uganda	2	3,756	-	155	3,601	0.06
Zambia	8	52,388	-	328	52,060	0.88
Zimbabwe**	12	204,624	-	2,980	201,644	3.41
Multinational	8	45,533	32	13,566	31,935	0.54
Total Public Sector	345	7,624,260	79,255	1,812,410	5,732,595	97.02
Total Private Sector	24	417,701	46,870	194,680	175,950	2.98
Grand Total	369	8,041,960	126,125	2,007,290	5,908,545	100.00

* Excludes fully repaid loans and cancelled loans.

** Country in non-accrual status as at 30 June 2003

(a) Following the arrears clearance mechanism approved in June 2002, the total amount contractually due from DRC at 30 June 2003 was UA 689.96 million.

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NOTE: W - Environment of Development in the Central Bank and Village Projects as of June 30, 1988
(Amounts in U.S. thousands)

MEMBER		PRE - OCT-IV (3)				OCT-IV (4)				OCT-IV (5)				Amount paid		Amount due		Payable Capital		Change Capital		Total Capital		Total Assets		Total Liabilities		Total Equity	
Pay-up share	Share value	Total share	Share value	Pay-up share	Share value	Total share	Share value	Pay-up share	Share value	Total share	Share value	Pay-up share	Share value	Pay-up share	Share value	Pay-up share	Share value	Pay-up share	Share value	Pay-up share	Share value	Pay-up share	Share value	Pay-up share	Share value	Pay-up share	Share value	Pay-up share	Share value
1 ALGERIA	5,493	35,331	35,331	1,022	3,860	28,155	33,038	603	338	14,164	14,164	87,876	87,876	87,876	87,876	87,876	87,876	87,876	87,876	87,876	87,876	87,876	87,876	87,876	87,876	87,876	87,876	87,876	
2 ANGOLA	2,003	10,222	10,222	610	4,733	2,010	2,010	210	138	4,218	4,218	20,910	20,910	20,910	20,910	20,910	20,910	20,910	20,910	20,910	20,910	20,910	20,910	20,910	20,910	20,910	20,910	20,910	
3 BENIN	261	1,051	1,051	216	216	1,051	1,051	43	41	706	706	3,496	3,496	3,496	3,496	3,496	3,496	3,496	3,496	3,496	3,496	3,496	3,496	3,496	3,496	3,496	3,496	3,496	
4 BOTSWANA	1,662	12,871	12,871	3,816	2,816	18,113	12,871	986	194	7,117	7,117	36,331	36,331	36,331	36,331	36,331	36,331	36,331	36,331	36,331	36,331	36,331	36,331	36,331	36,331	36,331	36,331	36,331	
5 BURKINA FASO	284	1,146	1,146	782	782	5,326	1,146	80	13	1,249	1,249	8,206	8,206	8,206	8,206	8,206	8,206	8,206	8,206	8,206	8,206	8,206	8,206	8,206	8,206	8,206	8,206	8,206	
6 BURUNDI	418	2,132	2,132	216	336	1,336	1,332	1,172	241	3,355	3,355	17,882	17,882	17,882	17,882	17,882	17,882	17,882	17,882	17,882	17,882	17,882	17,882	17,882	17,882	17,882	17,882	17,882	
7 CAMBODIA	1,346	8,122	8,122	816	781	8,713	8,122	216	216	3,355	3,355	17,882	17,882	17,882	17,882	17,882	17,882	17,882	17,882	17,882	17,882	17,882	17,882	17,882	17,882	17,882	17,882	17,882	
8 CAPE VERDE	336	888	1,304	71	71	487	348	1,872	1,872	1,872	1,872	1,872	1,872	1,872	1,872	1,872	1,872	1,872	1,872	1,872	1,872	1,872	1,872	1,872	1,872	1,872	1,872	1,872	
9 CENTRAL AFRICA	135	875	1,118	68	68	481	327	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	
10 CHAD	135	875	1,118	68	68	481	327	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	
11 COMOROS	135	875	1,118	68	68	481	327	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	
12 CONGO	718	8,022	8,740	389	389	7,351	2,852	86	86	1,340	1,340	1,340	1,340	1,340	1,340	1,340	1,340	1,340	1,340	1,340	1,340	1,340	1,340	1,340	1,340	1,340	1,340	1,340	
13 COTE D'IVOIRE	1,718	15,565	15,565	8,328	6,348	14,716	15,565	916	916	1,340	1,340	1,340	1,340	1,340	1,340	1,340	1,340	1,340	1,340	1,340	1,340	1,340	1,340	1,340	1,340	1,340	1,340	1,340	
14 DEM-REP CONGO	2,281	10,080	14,336	546	546	3,037	4,385	31	31	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	
15 DROMA	146	813	939	43	43	286	341	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	
16 EGYPT	7,610	52,770	60,380	3,455	3,455	27,066	31,466	1,481	643	18,889	18,889	18,889	18,889	18,889	18,889	18,889	18,889	18,889	18,889	18,889	18,889	18,889	18,889	18,889	18,889	18,889	18,889	18,889	
17 EQUATORIA	81	282	363	713	282	2,826	2,826	2,826	2,826	2,826	2,826	2,826	2,826	2,826	2,826	2,826	2,826	2,826	2,826	2,826	2,826	2,826	2,826	2,826	2,826	2,826	2,826	2,826	
18 ETHIOPIA	2,387	14,889	17,276	1,101	1,101	7,718	8,819	337	337	6,279	6,279	18,086	18,086	18,086	18,086	18,086	18,086	18,086	18,086	18,086	18,086	18,086	18,086	18,086	18,086	18,086	18,086	18,086	
19 GUINEA	1,323	8,611	10,934	2,030	1,667	9,478	16,007	26,645	26,645	26,645	26,645	26,645	26,645	26,645	26,645	26,645	26,645	26,645	26,645	26,645	26,645	26,645	26,645	26,645	26,645	26,645	26,645	26,645	
20 GAMBIA	183	1,351	1,534	188	188	1,726	1,726	2,643	2,643	2,643	2,643	2,643	2,643	2,643	2,643	2,643	2,643	2,643	2,643	2,643	2,643	2,643	2,643	2,643	2,643	2,643	2,643	2,643	
21 GAMBIA	2,921	20,447	23,368	1,671	1,671	13,092	14,763	36,253	36,253	36,253	36,253	36,253	36,253	36,253	36,253	36,253	36,253	36,253	36,253	36,253	36,253	36,253	36,253	36,253	36,253	36,253	36,253	36,253	
22 GUINEA	878	4,748	5,626	245	245	2,136	2,136	800	800	800	800	800	800	800	800	800	800	800	800	800	800	800	800	800	800	800	800	800	
23 GUINEA-BISSAU	75	828	903	104	104	1,104	1,104	1,104	1,104	1,104	1,104	1,104	1,104	1,104	1,104	1,104	1,104	1,104	1,104	1,104	1,104	1,104	1,104	1,104	1,104	1,104	1,104	1,104	
24 GUINEA	2,188	14,108	17,296	1,101	1,101	7,718	8,819	337	337	6,279	6,279	18,086	18,086	18,086	18,086	18,086	18,086	18,086	18,086	18,086	18,086	18,086	18,086	18,086	18,086	18,086	18,086	18,086	
25 KENYA	228	1,482	1,688	118	118	818	818	2,736	2,736	2,736	2,736	2,736	2,736	2,736	2,736	2,736	2,736	2,736	2,736	2,736	2,736	2,736	2,736	2,736	2,736	2,736	2,736	2,736	
26 KENYA	612	2,831	3,443	107	107	745	745	1,331	1,331	1,331	1,331	1,331	1,331	1,331	1,331	1,331	1,331	1,331	1,331	1,331	1,331	1,331	1,331	1,331	1,331	1,331	1,331	1,331	
27 LIBERIA	4,314	34,100	38,414	4,302	4,302	22,111	24,413	816	318	13,246	13,246	13,246	13,246	13,246	13,246	13,246	13,246	13,246	13,246	13,246	13,246	13,246	13,246	13,246	13,246	13,246	13,246	13,246	
28 LIBERIA	845	6,145	7,713	489	489	3,531	3,531	1,836	186	2,336	2,336	2,336	2,336	2,336	2,336	2,336	2,336	2,336	2,336	2,336	2,336	2,336	2,336	2,336	2,336	2,336	2		

APPENDIX C - C.1 - IV (9)

[illegible]

AFRICAN DEVELOPMENT BANK

Note X - Supplementary Statement of Subscriptions to the Capital Stock as at June 30, 2003
(Amounts in thousands)

MEMBER STATES	AMOUNT PAID				AMOUNT IN ARREARS				EXCESS PAYMENTS				No	
	Convertible		Total	Notes	Local		Total	Convertible		Total	Local			
	Currency	Currency			Currency	Currency		Currency	Currency					
1 ALGERIA	74,410	7,750	82,160	4,860	7,750	74,410	87,028	0	0	0	0	0	0	1
2 ANGOLA	18,701	7,788	26,489	0	7,788	18,701	27,487	0	0	0	0	0	0	2
3 BENIN	4,817	0	4,817	0	4,817	0	4,817	0	0	0	0	0	0	3
4 BOTSWANA	38,110	8,362	46,472	2,333	8,362	39,816	48,828	0	0	0	0	0	0	4
5 BURUNDI	7,748	785	8,533	1,875	785	8,318	10,188	1,128	0	1,128	0	0	0	5
6 CAMEROON	22,973	0	22,973	0	22,973	0	22,973	0	0	0	0	0	0	6
7 COTE D'IVOIRE	2,090	0	2,090	0	2,090	0	2,090	0	0	0	0	0	0	7
8 GUINEA	1,413	0	1,413	0	1,413	0	1,413	0	0	0	0	0	0	8
9 GUINEA-BISSAU	2,032	0	2,032	0	2,032	0	2,032	0	0	0	0	0	0	9
10 KENYA	510	0	510	0	510	0	510	0	0	0	0	0	0	10
11 LESOTHO	11,170	0	11,170	0	11,170	0	11,170	0	0	0	0	0	0	11
12 LIBERIA	82,835	0	82,835	0	82,835	0	82,835	0	0	0	0	0	0	12
13 MADAGASCAR	26,426	0	26,426	0	26,426	0	26,426	0	0	0	0	0	0	13
14 MALI	1,584	0	1,584	0	1,584	0	1,584	0	0	0	0	0	0	14
15 MALI	119,300	0	119,300	0	119,300	0	119,300	0	0	0	0	0	0	15
16 MALI	1,273	0	1,273	0	1,273	0	1,273	0	0	0	0	0	0	16
17 MALI	3,270	0	3,270	0	3,270	0	3,270	0	0	0	0	0	0	17
18 MALI	21,180	0	21,180	0	21,180	0	21,180	0	0	0	0	0	0	18
19 MALI	4,375	0	4,375	0	4,375	0	4,375	0	0	0	0	0	0	19
20 MALI	3,831	0	3,831	0	3,831	0	3,831	0	0	0	0	0	0	20
21 MALI	47,803	0	47,803	0	47,803	0	47,803	0	0	0	0	0	0	21
22 MALI	8,360	0	8,360	0	8,360	0	8,360	0	0	0	0	0	0	22
23 MALI	780	0	780	0	780	0	780	0	0	0	0	0	0	23
24 MALI	21,005	0	21,005	0	21,005	0	21,005	0	0	0	0	0	0	24
25 MALI	3,550	0	3,550	0	3,550	0	3,550	0	0	0	0	0	0	25
26 MALI	5,287	0	5,287	0	5,287	0	5,287	0	0	0	0	0	0	26
27 MALI	18,755	0	18,755	0	18,755	0	18,755	0	0	0	0	0	0	27
28 MALI	15,130	0	15,130	0	15,130	0	15,130	0	0	0	0	0	0	28
29 MALI	8,090	0	8,090	0	8,090	0	8,090	0	0	0	0	0	0	29
30 MALI	8,410	0	8,410	0	8,410	0	8,410	0	0	0	0	0	0	30
31 MALI	4,159	0	4,159	0	4,159	0	4,159	0	0	0	0	0	0	31
32 MAURITANIA	12,005	0	12,005	0	12,005	0	12,005	0	0	0	0	0	0	32
33 MAURITIUS	78,185	0	78,185	0	78,185	0	78,185	0	0	0	0	0	0	33
34 MOROCCO	14,714	0	14,714	0	14,714	0	14,714	0	0	0	0	0	0	34
35 MOZAMBIQUE	7,900	0	7,900	0	7,900	0	7,900	0	0	0	0	0	0	35
36 NAMIBIA	1,862	0	1,862	0	1,862	0	1,862	0	0	0	0	0	0	36
37 NIGER	165,835	0	165,835	0	165,835	0	165,835	0	0	0	0	0	0	37
38 RWANDA	3,173	0	3,173	0	3,173	0	3,173	0	0	0	0	0	0	38
39 RWANDA	1,579	0	1,579	0	1,579	0	1,579	0	0	0	0	0	0	39
40 SAINT DOMINGUE	4,738	0	4,738	0	4,738	0	4,738	0	0	0	0	0	0	40
41 SENEGAL	1,501	0	1,501	0	1,501	0	1,501	0	0	0	0	0	0	41
42 SEYCHELLES	2,427	0	2,427	0	2,427	0	2,427	0	0	0	0	0	0	42
43 SIERRA LEONE	12,130	0	12,130	0	12,130	0	12,130	0	0	0	0	0	0	43
44 SOMALIA	17,800	0	17,800	0	17,800	0	17,800	0	0	0	0	0	0	44
45 SOUTH AFRICA	7,748	0	7,748	0	7,748	0	7,748	0	0	0	0	0	0	45
46 SWAZILAND	10,740	0	10,740	0	10,740	0	10,740	0	0	0	0	0	0	46
47 SWAZILAND	4,314	0	4,314	0	4,314	0	4,314	0	0	0	0	0	0	47
48 TANZANIA	32,300	0	32,300	0	32,300	0	32,300	0	0	0	0	0	0	48
49 TOGO	726	0	726	0	726	0	726	0	0	0	0	0	0	49
50 TUNISIA	30,148	0	30,148	0	30,148	0	30,148	0	0	0	0	0	0	50
51 UGANDA	52,751	0	52,751	0	52,751	0	52,751	0	0	0	0	0	0	51
52 ZAMBIA	1,317,651	115,157	1,432,808	48,838	1,432,808	1,317,651	1,432,808	48,838	0	0	0	0	0	52
53 ZIMBABWE	1,317,651	115,157	1,432,808	48,838	1,432,808	1,317,651	1,432,808	48,838	0	0	0	0	0	53
TOTAL	1,317,651	115,157	1,432,808	48,838	1,432,808	1,317,651	1,432,808	48,838	0	0	0	0	0	161

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AFRICAN DEVELOPMENT BANK

Note X - Supplementary Statement of Subscriptions to the Capital Stock as at June 30, 2003

(Amounts in US thousands)

MEMBER STATES	AMOUNT DUE			AMOUNT PAID			AMOUNT IN ARREARS			EXCESS PAYMENTS			Total	No		
	Convertible	Local	Currency	Notes	Total	Convertible	Local	Currency	Notes	Total	Convertible	Local			Currency	Notes
TOTAL	1,217,850	115,157	49,098	1,381,905	1,208,083	115,156	49,113	1,372,351	9,728	0	0	9,728	159	9	15	181
REGIONALS																
1 ARGENTINA	5,380	0	0	5,380	5,363	0	0	5,363	0	0	0	3	0	0	0	3
2 AUSTRIA	8,320	0	0	8,320	8,326	0	0	8,326	0	0	0	6	0	0	0	6
3 BELGIUM	12,370	0	0	12,370	12,375	0	0	12,375	0	0	0	5	0	0	0	5
4 BRAZIL	8,310	0	0	8,310	8,313	0	0	8,313	0	0	0	3	0	0	0	3
5 CANADA	72,370	0	0	72,370	72,375	0	0	72,375	0	0	0	5	0	0	0	5
6 CHINA	20,840	0	0	20,840	20,843	0	0	20,843	0	0	0	3	0	0	0	3
7 DENMARK	22,310	0	0	22,310	22,310	0	0	22,310	0	0	0	0	0	0	0	0
8 FINLAND	9,420	0	0	9,420	9,420	0	0	9,420	0	0	0	0	0	0	0	0
9 FRANCE	72,370	0	0	72,370	72,375	0	0	72,375	0	0	0	5	0	0	0	5
10 GERMANY	79,450	0	0	79,450	79,450	0	0	79,450	0	0	0	0	0	0	0	0
11 INDIA	4,170	0	0	4,170	4,170	0	0	4,170	0	0	0	0	0	0	0	0
12 ITALY	46,660	0	0	46,660	46,665	0	0	46,665	0	0	0	5	0	0	0	5
13 JAPAN	105,840	0	0	105,840	105,840	0	0	105,840	0	0	0	0	0	0	0	0
14 KOREA	8,320	0	0	8,320	8,326	0	0	8,326	0	0	0	6	0	0	0	6
15 KUWAIT	8,605	0	1,115	9,720	8,605	0	1,115	9,720	0	0	0	0	0	0	0	0
16 NETHERLANDS	14,695	0	1,905	16,600	14,695	0	1,905	16,600	0	0	0	0	0	0	0	0
17 NORWAY	22,300	0	0	22,300	22,310	0	0	22,310	0	0	0	10	0	0	0	10
18 PORTUGAL	4,200	0	0	4,200	4,204	0	0	4,204	0	0	0	4	0	0	0	4
19 SAUDI ARABIA	3,610	0	0	3,610	3,614	0	0	3,614	0	0	0	4	0	0	0	4
20 SPAIN	14,091	0	5,979	20,070	14,091	0	5,979	20,070	0	0	0	0	0	0	0	0
21 SWEDEN	28,810	0	0	28,810	28,811	0	0	28,811	0	0	0	1	0	0	0	1
22 SWITZERLAND	27,340	0	0	27,340	27,345	0	0	27,345	0	0	0	5	0	0	0	5
23 U.K.	31,350	0	0	31,350	31,356	0	0	31,356	0	0	0	6	0	0	0	6
24 U.S.A.	128,690	0	0	128,690	128,695	0	0	128,695	0	0	0	5	0	0	0	5
TOTAL																
NON-REGIONALS	759,801	0	8,999	768,800	759,878	0	8,999	768,875	0	0	0	78	0	0	0	75
GRAND-TOTAL	1,977,451	115,157	58,097	2,150,705	1,967,959	115,160	58,112	2,141,236	9,728	0	0	9,728	235	9	15	257

NOTE:

The accompanying notes to the financial statements form part of this statement.

Slight differences may occur in totals due to rounding.

From: N'KODIA, MICHEL
Sent: Thursday, September 11, 2003 4:16 PM
To: All_Staff_TUNIS ***
Cc: DAIKREO, CLAUDE; MIVEDOR, SAMUEL EKUE; AMINE, ALMAZ; KAKOU, HERVE GILLES
Subject: RE: transport scolaire pour les enfants des membres du personnel à Tunis

Chers Collègues,

Suite à la réunion du 09 septembre 2003 relative à l'objet et à la réunion du groupe de travail qui s'est tenue ce jour, il est demandé à tous les membres du personnel concernés par le problème du transport scolaire de bien vouloir transmettre par e-mail adressé à M. BARDI ISSEIN les informations suivantes:

1. **Adresse exacte de votre domicile**
(description type CORES) le Secteur, la rue et l'itinéraire qui mène chez vous. Préciser si vous êtes habitez à proximité d'un lieu connu.
2. **Les établissements scolaires fréquentés par vos enfants** (indiquer la situation géographique exacte)
3. **Le nombre d'enfants inscrits par établissement**
4. **La date d'acceptation des enfants par l'établissement**
5. **Vos contacts téléphoniques** (bureau , portable, domicile)
6. **Votre numéro PERS.**
7. **Autres informations que vous jugez utiles (cantine, etc...)**

Le SCO vous saurait gré de bien vouloir communiquer les informations requises dans les plus brefs délais pour nous permettre de constituer une base de données dans les meilleurs délais.

Je vous remercie.

Michel N'kodia
Président, SCO.



-----Original Message-----

From: N'KODIA, MICHEL
Sent: Tuesday, September 09, 2003 12:31 PM
To: All_Staff_TUNIS ***
Subject: RE: transport scolaire pour les enfants des membres du personnel à Tunis

RAPPEL/REMINDER

-----Original Message-----

From: N'KODIA, MICHEL
Sent: Monday, September 08, 2003 3:47 PM
To: All_Staff_TUNIS ***
Cc: GEENEN, GILLES; BOUCHER, CHANEL
Subject: FW: transport scolaire pour les enfants des membres du personnel à Tunis

Chers Collègues,

Tous les membres du personnel qui - du fait des démarches entreprises récemment pour l'inscription des enfants à la veille de la rentrée des classes - se retrouvent avec des problèmes de transport en raison de la dispersion des enfants entre plusieurs établissements scolaires de la ville de Tunis (écoles françaises et autres) éloignés de la zone de résidence sans aucun service de transport scolaire, sont priés de prendre part à la réunion convoquée par le SCO **le mardi 09 septembre 2003 à 14h30** dans la salle **808** à l'ATR.

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Dear Colleagues

The SCO calls to a meeting all staff members now facing school transportation problems -as a result of registration formalities undertaken recently on the eve of "Back-to School Day" with children scattered in several schools in town (French schools and others) far from the residence area, not providing any school transport facility. The meeting will be held on **tuesday 9 september 2003** in room **808 at 2:30 p.m.** in TRA building .

Michel N'kodia
Président/Chairman
SCO

-----Original Message-----

From: N'KODIA, MICHEL
Sent: Wednesday, September 03, 2003 9:43 AM
To: GEENEN, GILLES
Cc: BOUCHER, CHANEL; RAZGALLAH, ABDELAZIZ; AMINE, ALMAZ; MIVEDOR, SAMUEL EKUE; KEITA, SOULEYMANE; KAKOU, HERVE
GILLES; DAIKREO, CLAUDE
Subject: transport scolaire pour les enfants des membres du personnel à Tunis

Monsieur le Directeur,

Les membres du personnel de la Banque ne cessent d'exprimer avec insistance depuis quelques mois tant auprès de CHRM que du SCO la nécessité d'organiser le transport de leurs enfants inscrits dans les établissements scolaires de Tunis surtout dans le cas des écoles françaises et d'autres écoles maternelles qui n'assurent pas le transport des élèves /enfants. Lors de l'avant dernière rencontre entre CHRM, les parents d'élèves de la BAD et le SCO, la question a de nouveau été évoquée. Vous aviez à cet effet rassuré le personnel présent dans la salle que vous avez chargé M RAZGALLAH de faire une étude sur la question et de faire des propositions concrètes et réalisables ensuite.

Pour mémoire cette question était inscrite à l'ordre du jour des deux précédentes rencontres entre CHRM et le SCO comme en témoignent les compte - rendus. Je voudrais saisir cette occasion - surtout à la lumière des difficultés rencontrées dans le cadre des démarches entreprises récemment par CHRM auprès de divers établissements scolaires de la Place en vue de l'inscription d'un certain nombre d'enfants du personnel à la veille de la rentrée des classes - pour insister une fois encore sur cette impérieuse nécessité dont la réalisation contribuera à soulager les membres du personnel et à les stabiliser.

Le SCO reste confiant et persuadé que CHRM sera en mesure de faire - dans les tout prochains jours compte tenu de l'imminence de la rentrée des classes - des propositions concrètes et satisfaisantes à l'endroit des membres du personnel concernés, étant entendu que le PRST a été sensibilisé sur cette importante question qui cristallise toute l'attention du personnel.

Je vous remercie d'avance pour l'attention qu'il vous plaira d'accorder à cette importante et délicate question.

Michel N'kodia
Président, SCO